



GOLKUNDA DIAMONDS & JEWELLERY LTD.



20th Annual Report 2009-2010



GOLKUNDA DIAMONDS & JEWELLERY LIMITED

REGISTERED OFFICE

G-30, Gems & Jewellery, Complex - III,
SEEPZ, Andheri (East), Mumbai - 400 096

BOARD OF DIRECTORS

Shri. Kanti Kumar Dadha	(Chairman & Managing Director)
Shri. Karan Singh Baid	(Whole Time Director)
Shri. Arvind Dadha	(Whole Time Director)
Shri. B. K. Ashok	(Professional / Independent Director)
Shri. Mahesh Kumar Dadha	(Independent Director) (resigned w.e.f. 03.05.10)
Shri. Gautam Chand Dadha	(Independent Director)
Shri. Mangi Lal Maloo	(Independent Director)

BANKERS

State Bank of Indore
Bank of India
Axis Bank Ltd.
State Bank of India

AUDITORS

M/s. A. J. Baliya & Associates
Chartered Accountants
Mumbai

WORKS

G-30, Gems & Jewellery Complex - III,
SEEPZ, Andheri (East), Mumbai - 400 096.

307 / 308, Kapadia Industrial Estate,
Andheri Kurla Road, Chakala,
Andheri (East), Mumbai- 400 093.

DEMATERIALIZATION OF SECURITIES

ISIN-INE798D1015

WEBSITE

www.golkunda.com



NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of GOLKUNDA DIAMONDS & JEWELLERY LIMITED, will be held at "Banquet Hall", Matoshri Arts & Sports Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai - 400 093 on 24th September, 2010 at 3.30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date together with report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Karan Singh Baid, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. B. K. Ashok, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification/s, the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, a notice having been received from the shareholder proposing candidature of Shri. Mangi Lal Maloo as a Director of the Company be and is hereby appointed as Independent Non-Executive Director of the Company whose office shall be subject to retirement by rotation."

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Mumbai-400 096

By and on behalf of
The Board of Directors
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

Date: 29.05.2010

KANTI KUMAR DADHA
(Chairman & Managing Director)



NOTES:

- (a) A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself / herself and that proxy need not be a member of the Company.

Proxy form duly completed must reach the Registered Office of the Company not less than 48 hours before the meeting.

- (b) The Register of Members and Share Transfer Books of the Company will be closed from 22.09.2010 to 24.09.2010. (Both days inclusive).
- (c) Members are requested to bring their attendance slip duly filled in for attending the meeting.
- (d) Members are requested to notify changes, if any, in their registered address immediately at the Company's Registered Office.
- (e) The Company has code of conduct for all Board Members and Senior Management of the Company and is duly following the terms of the code in letter and in spirit.
- (f) Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of special business to be transacted at the Annual General Meeting is attached herewith.

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Date: 29.05.2010

KANTI KUMAR DADHA
(Chairman & Managing Director)



EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5 (Appointment of Shri. Mangi Lal Maloo as Independent Non-Executive Director)

Shri. Mangi Lal Maloo was appointed as an Additional Independent Director pursuant to section 260 of the Companies Act, 1956 w.e.f. 30.04.2010 to share his rich experience for the benefit of the Company. His term of appointment as an Additional Director expires at ensuing Annual General Meeting. Considering his knowledge and expertise, the Board of Directors of the Company is of the opinion that he must continue on the Board.

The Company has received notice from existing shareholder of the Company as required under section 257 of the Companies Act, 1956 along with necessary deposit proposing the candidature of Shri. Mangi Lal Maloo as a Director of the Company.

None of the Directors of the Company except Shri. Mangi Lal Maloo himself is deemed to be concerned or interested in the proposed resolution.

Your Board recommends his appointment as an independent director of the Company.

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Date: 29.05.2010

KANTI KUMAR DADHA
(Chairman & Managing Director)



DIRECTORS' REPORT

To,
The Member/s,
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

The Directors' have pleasure in presenting their 20th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2010

FINANCIAL RESULTS:

(Amount in Rs.'000)

PARTICULARS	2009-10	2008-09
Sales & Income from Operation	816397	559746
Other Income	(15695)	71176
Total Expenditure	773892	575533
Interest	17439	28382
Profit Before Depreciation and Taxation	9370	27007
Depreciation	2113	1949
Profit Before Taxation	7257	25028
Provision for Taxation	2600	9250
Prior Years Tax Adjustment	(61)	0
Fringe Benefit Tax	0	100
Deferred Tax	(400)	(93)
Profit After Taxation	5118	15801
Balance Carried to Balance Sheet	50831	45713

OPERATIONS:

The industry has seen an uptrend in the last one year and your company has seized on this opportunity and has performed better than in the recent past. To continue this upward sales momentum, the marketing and sales effort has been further bolstered with participation in various new trade exhibitions across the globe and in India. Your company has added many new customers across different geographical areas in the past one year. There has been a special focus given to customer services and reduction in turnaround time for customer orders resulting in positive feedbacks from a lot of customers. There have been several technological initiatives undertaken in the manufacturing facilities to get better operational efficiency.

The forecast for the current year looks very positive across various regions and we are optimistic that we will continue to expand ourselves and outperform the overall industry growth.

DIVIDEND:

Considering the necessity of conserving financial resources for future growth and expansion of the business of the Company and in view of financial position of the Company, the Board of Directors do not recommend payment of dividend on equity shares of the Company for the financial year ended 31.03.2010.



DIRECTORS:

In terms of provisions of section 255 and 256 of the Companies Act, 1956 read with provisions of Articles of Association of the Company. Shri. Karan Singh Baid and Shri. B. K. Ashok, Directors of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

Shri. Mahesh Kumar Dadha has resigned as Independent Non-Executive Director of the Company w.e.f. 03.05.2010. The Board places on record its appreciation for time and efforts extended for the benefit of the Company.

Shri. Mangi Lal Maloo has been appointed as Additional Independent Non-Executive Director of the Company w.e.f. 30.04.2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956, his term of appointment expires at the ensuing Annual General Meeting. Considering his knowledge and expertise, the Board of Directors of the Company are of the opinion that he must continue on the Board. The Company has received notice from existing shareholder of the Company as required under section 257 of the Companies Act, 1956 along with necessary deposit proposing the candidature of Shri. Mangi Lal Maloo as Director of the Company. Your Board recommends his appointment as an independent director of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to an amendment to Section 217 of the Companies act, 1956, your Directors give hereunder the Director's Responsibility Statement pertaining to the accounts of the Company:-

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation statement relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 and of the Profit & Loss Account of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. These accounts have been prepared on a going concern basis.

FIXED DEPOSIT:

The Company has not accepted any Fixed Deposit under Section 58A of the Companies Act, 1956, read together with the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS:

M/s. A. J. Baliya & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting. The said Statutory Auditors having furnished



a certificate of their eligibility under Sec. 224(1B) of the Companies Act, 1956, are eligible for re-appointment. The Board recommends their re-appointment.

The observations of statutory auditors read along with notes to accounts are self explanatory and do not call for further explanation.

PARTICULARS OF EMPLOYEES:

Pursuant to Section 217 (2A) of the Company Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, there are no employees drawing salary above monetary limit specified in above Rules and therefore, no particulars need to be furnished in this regard.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Sub Sec. (1)(e) of Section 217, of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given hereunder.

A. Conservation of energy	The Company is taking all possible steps to conserve resources in its operations.
B. Technology absorption	N. A.
C. Foreign Exchange earnings and outgo For the year ended 31.03.2010	(Rs. in Thousand)
a) Earnings in foreign Currency	Rs.769200/-
b) Expenditure in Foreign Currency	Rs. 16741/-

CORPORATE GOVERNANCE:

A separate section covering the Management Discussion and Analysis and Corporate Governance as per the requirements of Clause 49 of the Listing Agreement is attached herewith and forms a part of this report.

ACKNOWLEDGEMENT:

The Directors wish to place on record their admiration for the services rendered by the executives and employees of the Company at all levels. The Board also takes this opportunity to express its appreciation for the continued support received from the Shareholders, the Banking institutions including the State Bank of Indore, the SEEPZ Authorities and all other stakeholders, during the year.

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By And On Behalf Of
The Board Of Directors
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

Date: 29.05.2010

KANTI KUMAR DADHA
(Chairman & Managing Director)



INVESTORS SERVICES:

1) Dematerialization of Securities.

In order to give better services to the shareholders and investors and in terms of stipulation imposed by the SEBI and Stock Exchange, the Company has moved towards dematerialization of securities. During the year, several members' particularly Individual including small shareholders of the Company availed the facility of dematerialization of shares of the Company.

In case you have any queries or seek any clarifications with regard to the process of dematerialization of securities or the functioning of Depository Participant (DP), you may contact at the Registered Office of the Company. The Compliance Officer present there would guide you through the process of opening an account and help to clarify your doubts regarding trading of securities in dematerialised form.

In order to facilitate better understanding of the process and to enable the investor to avail of this facility, the following points may be noted while lodging documents for transfer or demat.

DO's

- Lodge documents for transfer together with request for simultaneous demat in favour of NSDL/CDSL.
- Specify at the time of lodgment, your desire for transfer-cum demat.
- Await the confirmation letter received from Company or M/S. SHAREX DYNAMIC (INDIA) PVT. LTD.
- Submit the confirmation letter received from Company OR M/S. SHAREX DYNAMIC (INDIA) PVT. LTD. after transfer with your Depository Participant (DP) along with the Demat Request Form (DRF)
- Sign the DRF in the same manner as signed on the transfer deed submitted for transfer.
- Ensure that the DRF is submitted by you mentioning your Client ID where the names are in similar pattern as mentioned in the transfer deed.
- Mention the quantity of shares on the DRF that has been transferred as mentioned in the Confirmation letter.
- Mention on the DRF the details of the distinctive numbers/ certificate numbers as given in the confirmation letter.
- Ensure that the demat request is generated and forwarded by your DP within the prescribed time as mentioned in the confirmation letter.

DONT's

- Lodge the documents for transfer with your DP.
- Submit the DRF without signature of all the joint holders
- Sign the DRF in a different pattern from the signature on the transfer deed.