



GOLKUNDA DIAMONDS & JEWELLERY LTD.



**22nd
Annual Report
2011-2012**



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. Gautam Dadha	(Independent Director)
Shri. Mangilal Maloo	(Independent Director)

BANKERS

State Bank of India
Bank of India
Axis Bank Ltd.

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 **22nd Annual General Meeting** of the members of **Golkunda Diamonds & Jewellery Limited**, will be held at "Banquet Hall", Matoshri Art & Sport Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai - 400 093 on **28th September, 2012** at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 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. B. K. Ashok, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. Mangilal Maloo, 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 Special Resolution:**

"RESOLVED THAT in partial modification of the resolution passed by the members of the Company at Annual General Meeting held on 29th September, 2009, pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII (as amended) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the consent of the members of the Company be and is hereby accorded for increase in payment of remuneration to Mr. Kantikumar Dadha, as Managing Director for an amount not exceeding Rs. 2,50,000/- p.m. w.e.f. 01.10.2012 till the period of his unexpired term including Basic Salary, House Rent Allowance and other Perquisites (as detailed in explanatory statement), Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.



RESOLVED FURTHER THAT Mr. Kantikumar Dadha shall be entitled to the reimbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company."

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

"RESOLVED THAT in partial modification of the resolution passed by the members of the Company at Annual General Meeting held on 29th September, 2011, pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII (as amended) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, consent of the members of the Company be and is hereby accorded for increase in payment of remuneration to Mr. Karan Singh Baid as Whole Time Director for an amount not exceeding Rs. 2,50,000/- p.m. w.e.f. 01.10.2012 till the period of his unexpired term, including Basic Salary, House Rent Allowance and other Perquisites (as detailed in explanatory statement), Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company.

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- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Karan Singh Baid shall be entitled to the reimbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company."

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

"RESOLVED THAT in partial modification of the resolution passed by the members of the Company at Annual General Meeting held on 29th September, 2009, pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII (as amended) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, , the consent of the members of the Company be and is hereby accorded for increase in payment of remuneration to Mr. Arvind Dadha as Whole Time Director for an amount not exceeding Rs. 2,50,000/- p.m. w.e.f. 01.10.2012 till the period of his unexpired term including Basic Salary, House Rent Allowance and other Perquisites (as detailed in explanatory statement), Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company.



The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Arvind Dadha shall be entitled to the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company."

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

"RESOLVED THAT in supersession to earlier resolution passed by the members at the Annual General Meeting held 29.09.2011, pursuant to the provisions of Sections 314 (1) and all other applicable provisions, if any, of the Companies Act, 1956 and the Director's Relatives (Office or Place of Profit) Rules, 2003 as amended, consent of the members of the Company be and is hereby accorded for increase in remuneration to Mr. Ashish Dadha, (relative of Mr. Kanti Kumar Dadha & Mr. Arvind Dadha, Directors of the Company) to hold and continue to hold an office or place of profit in the Company as Senior Executive, Finance on monthly remuneration in the range of Rs.1,00,000/- to Rs. 1,50,000/- (Gross including all the perquisites, allowances and benefit received from the Company) w.e.f. 1st October, 2012."

REGISTERED OFFICE:

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

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

Date: 29.05.2012

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 22.09.2012 to 28.09.2012. (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 Personnel 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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By and on behalf of
The Board of Directors
GOLKUNDA DIAMONDS & JEWELLERY LTD.

Date: 29.05.2012

KANTI KUMAR DADHA
(Chairman & Managing Director)

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5 Increase in Remuneration of Mr. Kantikumar Dadha, Managing Director:**

Considering the progress made by the Company under the able guidance and supervision of Mr. Kantikumar Dadha, it is proposed to increase managerial remuneration w.e.f. 01.10.2012 for an amount not exceeding Rs. 2,50,000/- per month till the period of this unexpired term. The Proposed remuneration has been approved by the Board of Directors and recommended by Remuneration Committee in their respective meetings and the same is in compliance with the conditions of Schedule XIII to the Companies Act, 1956, as amended. The Company has not made any default in repayment of any of its debt (including public deposits) or debentures in the past one year.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE XIII, PART II, SECTION II (B) (IV):**I: General Information about the Company:**

- 1. Nature of Industry:** The object of the company for which it is formed is to manufacturing and trading of polished gems, diamonds and other stones.
- 2. Date of Commencement of Commercial Production:** The Company was incorporated on 30th October, 1990. Immediately after incorporation, the Company has commenced commercial operation and till date the Company is engaged in the business of manufacturing and trading of polished gems, diamonds and other stones.
- 3. Financial Performance Based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2012 are as under:

Particulars	For the Year ended 31.03.2012 (Rs.)
Total Income	115,98,24,340
Net Profit Before Depreciation and Tax	2,15,13,512
Depreciation	23,30,517
Net Profit Before Tax	1,91,82,995
Provision for Taxation	65,79,000
Net Profit after Tax	1,22,46,007

- 4. Export Performance and Net Foreign Exchange Collaborations:** The Company has achieved export turnover of Rs. 106,37,48,934/- during the year ended 31st March, 2012. The Company does not have foreign collaborations.
- 5. Foreign Investments or Collaborators:** The Company has not made any investment in foreign body corporate or foreign entities. The Company do not have any foreign collaboration and has not received or invested any money towards foreign collaboration and hence no information to be provided in this respect.



II: Information about the Appointee:

1. **Brief Profile of Appointee:** Mr. Kanti kumar Dadha holds B.Com Degree. Mr. Kantikumar Dadha has been involved in the activities of the Company since incorporation. He is pioneer in the set up, management and operation of the Manufacturing Division of the Company.
2. **Past remuneration:** In the past, Mr. Kanti kumar Dadha has drawn Remuneration upto Rs. 1,00,000/- p.m. from the Company.
3. **Recognition and Award received in past:** Mr. Kantikumar Dadha is associated with the various Social Organizations. However there is no reportable Recognition and Award received.
4. **Job Profile and Suitability:** Mr. Kantikumar Dadha is responsible for administration, production and direction for the organization. He is responsible for overall strategy and planning of the Company.
5. **Remuneration proposed:** It is proposed to pay Managerial Remuneration to Mr. Kantikumar Dadha for an amount not exceeding Rs. 2,50,000/- per month.
6. **Comparative Remuneration in the Industry:** Considering the nature of industry and specialty of services rendered by Mr. Kantikumar and also considering the complex role performed by Mr. Kantikumar Dadha no comparative remuneration of industry is available for information.
7. **Material Pecuniary Relationship:** The Company does not have any material pecuniary relationship with Mr. Kanti Kumar Dadha.

III: Other information:

1. **Reason for inadequate Profit and measures taken for improvement:** The bottom-line of the company has been increasing steadily over past 3 years. The Company has focused on exports. The Company had to raise its bar on quality and processes to match international standards and in the process, spent substantially on inputs for the same. Also, competitive offer prices for penetration in new markets and offering of new products, resulted in substantial pressure on margin. The Company is taking every possible steps to increase the business volume and thereby profitability.
2. **Expected Increase in Profits in Measurable Terms:** Considering the proposed businesses and the projects of the Company, it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However company expects 20% to 25 % growth in income and profitability in next 3 years.

The terms and conditions including remuneration may also be treated as an abstract of the terms of appointment of the Managing Director as required under Section 302 of the Companies Act, 1956.



The Board of Directors recommends to the shareholders the adoption of the above resolution as contained in the notice. The copy of letter showing payment of remuneration to Mr. Kanti Kumar Dadha will be available for inspection of the members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day.

Mr. Kanti Kumar Dadha him self and Mr. Arvind Dadha, being relative are deemed to concerned or interested in the above resolution.

Item No. 6 Increase in Remuneration of Mr. Karan Singh Baid, Whole Time Director:

Considering the progress made by the Company under the able guidance and supervision of Mr. Karan Singh Baid, it is proposed to increase managerial remuneration w.e.f. 01.10.2012 for an amount not exceeding Rs. 2,50,000/- per month till the period of this unexpired term. The Proposed remuneration has been approved by the Board of Directors and recommended by Remuneration Committee in their respective meetings and the same is in compliance with the conditions of Schedule XIII to the Companies Act, 1956, as amended. The Company has not made any default in repayment of any of its debt (including public deposits) or debentures in the past one year.

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