



**GOLKUNDA
DIAMONDS & JEWELLERY LIMITED**



**25th
ANNUAL REPORT
2014 - 2015**



GOLKUNDA DIAMONDS & JEWELLERY LIMITED

REGISTERED OFFICE

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

BOARD OF DIRECTORS

Mr. Kanti Kumar Dadha	(Chairman & Managing Director)
Mr. Karan Singh Baid	(Whole Time Director)
Mr. Arvind Dadha	(Whole Time Director)
Mr. B. K. Ashok	(Independent Director)
Mr. Gautam Dadha	(Independent Director)
Mr. Mangilal Maloo	(Independent Director)
Mrs. Roli Gupta #	(Independent Director)

Appointed w.e.f. 02.03.2015

Mr. Ashish Dadha ## (CFO)
Appointed w.e.f. 13.11.2014
Ms. Pooja Sanghavi ### (Company Secretary)
Appointed w.e.f. 02.05.2015

PRINCIPLE BANKERS

State Bank of India
Bank of India
Axis Bank
Punjab National Bank

AUDITORS

M/s. Motilal & Associates
Chartered Accountants, Mumbai

WORKS

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

REGISTRAR

Sharex Dynamic (India) Pvt. Ltd.
Unit – 1, Luthra Industrial Premises,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai – 400 072.
Tel.: 2851 5606 / 2851 5644
Email : investor@sharexindia.com

DEMATERIALIZATION OF SECURITIES

ISIN-INE798D01015

CORPORATE IDENTITY NUMBER:

CIN: L36912MH1990PLC058729

WEBSITE

www.golkunda.com



NOTICE

NOTICE is hereby given that the **25th Annual General Meeting** of the members of **Golkunda Diamonds & Jewellery Limited**, will be held at Suncity Residency Hotel, Eden- Hall, 16th Road, Maheshwari Nagar, MIDC, Marol, Andheri (East), Mumbai - 400 093 on Monday i.e. **28th September, 2015** at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Statement of Profit & Loss for the year ended on that date together with report of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2015.
3. To appoint a Director in place of Mr. Arvind K. Dadha (Holding DIN: 00317631) who retires by rotation and being eligible offers himself for re-appointment.
4. To consider ratification of appointment of M/s. Motilal & Associates, Chartered Accountants, Mumbai, (Registration no.: 106584W), as the Statutory Auditors of the Company and to fix their remuneration.

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 LIMITED

Date: 14.08.2015

KANTI KUMAR DADHA
(Chairman & Managing Director)

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy form duly completed should be deposited at the registered office of the Company not less than forty- eight hours (48 hours) before the scheduled time of the Annual General Meeting. Blank Proxy Form is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution /authority, as applicable.
2. A statement giving details of Director seeking re-appointment under item no. 3 of the accompanying notice as required by Clause 49 of the Listing Agreement, entered into with the Stock Exchanges is annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will be closed from 22.09.2015 to 28.09. 2015 (Both days inclusive) for the purpose of determining eligibility of members entitled to dividend.
4. Dividend as may be declared shall be payable to members of the company whose names appear:
 - (a) As beneficial owners as at the close of the business hours on September 21, 2015 as per the details to be furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited in respect of shares held in electronic form; and
 - (b) As members in the register of members of the company after giving effect to valid share transfers in physical form lodged with the company on or before September 21, 2015. Transfer documents received after September 21, 2015 will not be considered for the aforesaid purposes.
5. All the members who have either not received or have not yet encashed their dividend warrant(s) for the financial year March 31, 2011 and March 31, 2013 till date are requested to write to the Company's Registrar and Share Transfer Agent at the address mentioned below for obtaining duplicate dividend warrant without further delay.
6. Members holding shares in the electronic form are advised that their bank details, as furnished to the company by the respective depositories, viz., NSDL & CDSL, will be printed on the dividend warrants. Members holding shares in electronic



form are further advised to communicate to their respective depository participants, changes, if any, in their address/bank account. Members desiring to receive dividend through electronic clearing system may submit the requisition accordingly.

7. Members desirous of getting any information about accounts of the Company are requested to send their queries at the Registered Office of the Company at least 10 days prior to the date of meeting so that the requisite information can be readily made available at the meeting.
8. Members / proxies are requested to bring the copies of annual report and attendance slip duly filled while attending the meeting.
9. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders / transferee of shares (including joint holders) are requested to furnish a self attested copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
10. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut -off date i.e. 21.08.2015 may follow the same procedure as mentioned above for e-Voting. However, if you are already registered with CDSL for remote e-voting then you can use your exiting password for casting your vote.

11. E-Voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration Rules) Rules, 2014 the Members are provided with the facility to cast their vote electronically, through the remote e-voting services (e-voting from a place other than the venue of AGM) provided by CDSL, on all resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25.09.2015 at 9.00 A.M. and ends on 27.09.2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).



- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Golkunda Diamonds and Jewellery Limited on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) Ms. Hetal Shah, Practicing Company Secretary (Membership No. FCS 8063), has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxii) The voting rights of Members shall be in proportion to their shares of the paid – up equity share capital of the Company as on 21.09.2015.
- (xxiii) The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to vote again.
- (xxiv) The facility for voting through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the general meeting.
- (xxv) The Scrutinizer after scrutinizing the votes cast at the AGM and through remote e-voting will not later than three days of the conclusion of AGM, make a consolidated Scrutinizer’s Report and submit the same to the Chairman.
- (xxvi) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.golkunda.com and on the website of CDSL www.cdslindia.com



ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT/APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. Arvind Dadha
Date of Birth	31.12.1976
Nationality	Indian
Date of Appointment on the Board	01.10.1999
Qualification	B.com
Expertise	Jewellery Manufacturing & Marketing
Number of shares held in the Company	3,44,435 Equity Shares
List of Directorships held in other companies	NIL
Chairman/ Member of the Committee of the Board of Companies in which he is Director (other than Golkunda)	NIL



DIRECTORS' REPORT

To,
The Member/s,

GOLKUNDA DIAMONDS & JEWELLERY LIMITED

Your Directors have pleasure in submitting their 25th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS / STATE OF COMPANY'S AFFAIRS:

The summarized standalone results of your Company are given in the table below:

(Amount in Rs. '000)

PARTICULARS	31/03/2015	*31/03/2014
Net Sales / Income from Business Operations	934,905,271	1,198,072,042
Other Income	-	50,000
Total Income	934,905,271	1,198,122,042
Profit/(loss) before Depreciation & Tax	35,090,826	80,902,496
Less: Depreciation	3,215,954	2,197,140
Less: Provision for Income Tax (including for earlier years)	12,027,657	28,332,253
Less: Provision for Deferred Tax	(270,274)	(126,964)
Net Profit/(Loss) After Tax	20,117,489	50,500,067
Add: Profit/(Loss) brought forward from previous year	125,706,405	81,780,151
Less: Dividend Distribution	3,482,040	3,482,040
Less: Amount Transferred to General Reserve	2,500,000	2,500,000
Profit/(Loss) carried to Balance Sheet	139,132,991	125,706,405
Earning per share (Basic & Diluted)	2.89	7.25

*Previous year's Figures have been regrouped / rearranged wherever necessary

DIVIDEND:

Your Directors are pleased to recommend a final dividend of Rs. 0.50/- i.e. @ 5% per Equity Share for the current financial year. The dividend if approved and declared in the forthcoming Annual General meeting would result a Dividend outflow of Rs. 3,482,040/- and dividend Distribution Tax of Rs. 708,861/- aggregating a total outflow of Rs. 4,190,901/-.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds as contemplated under Section 125 of the Companies Act, 2013 lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with related parties which may have potential conflict with interest of the company at large. The particulars of such contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are attached herewith in Annexure I in Form No. AOC -2.

All Related Party transactions were placed before the Audit Committee and the Board for Approval.

The Policy of Related party transactions/Disclosures are approved by the Board is posted on the Company's website viz www.golkunda.com.



SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate Company.

CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of Business during the year under review.

DEPOSITS:

Your Company has neither accepted / renewed any deposits from public during the year nor has any outstanding deposits in terms of Section 77 of the Companies Act, 2013. Further there were no Deposits which are not in compliance of the requirements of Chapter V of the Act.

SHARE CAPITAL:

As on 31st March, 2015, the issued, subscribed and paid up share capital of your Company stood at Rs. 69,640,800/- (Rupees Six Crores Ninety Six Lacs Forty Thousand Eight Hundred Only), comprising 6,964,080 (Sixty Nine Lacs Sixty Four Thousand Eighty) Equity shares of Rs.10/- each.

The Company has neither issued shares with differential voting rights nor granted any stock options or sweat equity or Bonus Shares. Further, the Company has not bought back any of its securities during the year under review.

INTERNAL FINANCIAL CONTROLS:

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the financial year under review, the Company had 8 (Eight) Board meetings on 26.05.2014, 10.06.2014, 14.08.2014, 27.09.2014, 13.11.2014, 13.02.2015, 24.02.2015 and 02.03.2015.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to provisions of Companies Act, 2013 and in terms of SEBI Circular dated April 17, 2014 requiring all Listed Companies to mandatorily have a 'Woman Director' on the Board, the Company inducted Ms. Roli Gupta (DIN: 07109930), as an Non Executive Independent Director with effect from March 02, 2015. Appointment of Ms. Roli Gupta was approved by the members of the Company vide Extraordinary General Meeting held on 24.04.2015.

Mr. Arvind Dadha retire at this Annual General Meeting and being eligible offer themselves for re election.

Appointment of Mr. Kanti Kumar Dadha and Mr. Ashish Dadha has been recognized as Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013 in the position of Managing Director and Chief Financial Officer (CFO) respectively.

Ms. Priya Khandelwal has resigned as Company Secretary of the Company w.e.f. 02.06.2014 during the year under review.

The Company has appointed Ms. Pooja Sanghavi as Company Secretary and Compliance Officer of the Company w.e.f. 02.05.2015.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD EVALUATION:

Pursuant to provisions of Companies Act, 2013, Schedule IV and Clause 49 of the Listing Agreement, the Board has carried out an



Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

In line with effective governance requirements, the Board reviews its own performance annually using a pre-determined template designed as a tool to facilitate the evaluation process. The assessment was built around the functioning of the Board as a whole, its Committees and also the evaluation of Individual Directors.

While the individual directors' performance was reviewed by the Chairman and the rest of the Board excluding the Director being evaluated, the Chairman's and Non-independent Directors performance was appraised through feedback from Independent Directors.

AUDIT COMMITTEE:

The Audit Committee consists of the following members:

Sr. No.	Name	Category	Position
1	Mr. Mangilal Maloo	Independent Director	Chairman
2	Mr. Gautam Chand Dadha	Independent Director	Member
3	Mr. B. K. Ashok	Independent Director	Member

During the year under review, the Board has accepted all the recommendation of the Audit Committee.

WHISTLE BLOWER POLICY / VIGIL MECHANISM:

In Compliance with the provisions of section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has adopted a Whistle Blower Policy as a vigil mechanism for directors and employees of the Company.

The Whistle Blower Policy is disclosed on the Company's website www.golkunda.com.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

Pursuant to requirements of Clause 49 of the Listing Agreement, the Company has a familiarization programme for Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Board Members are provided with all necessary documents/ reports and internal policies to enable them to familiarise with the Company's procedures and practices and keep themselves abreast of the latest corporate, regulatory and industry developments.

The same has been posted on website of the Company viz; www.golkunda.com.

RISK MANAGEMENT:

The Company has constituted Risk Management Committee and it comprises of Mr. Kanti Kumar Dadha as Chairman of the Committee and Mr. Arvind Dadha and Mr. Karan Singh Baid as Members of the Committee.

The Company has formulated Risk Management Policy which provides an overview of the principles of risk management, explains approach adopted by the Company for risk management, develops a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them.

The Risk Management Committee (RMC) maintains comprehensive oversight on all risks and its management and provides guidance on risk Management activities, reviews results of risk assessment and mitigation plan development process, review and monitor working of risk management process and report to the Board of Directors on the status of risk management initiatives and their effectiveness.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

CORPORATE SOCIAL RESPONSIBILITY:

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014, the Company has formulated and posted CSR Policy on website of the Company viz; www.golkunda.com.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, undertaken by the Company during the year is attached as an 'Annexure II' to this Report.

NOMINATION & REMUNERATION COMMITTEE:

In compliance with the provisions of Companies Act, 2013, your Company re-aligned its existing 'Remuneration Committee' as 'Nomination & Remuneration Committee' with an enhanced scope and functions as stipulated under new law. The Nomination & Remuneration Committee comprises of Mr. Mangilal Maloo as Chairman and Mr. Gautam Chand Dadha and Mr. B. K. Ashok as members of the Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Your Company re-aligned its existing 'Shareholders Grievance & Share Transfer Committee' as 'Stakeholders Relationship



Committee' with enhanced scope and functioning. The Stakeholders Relationship Committee comprises of Mr. Mangilal Maloo as Chairman and Mr. Gautam Chand Dadha and Mr. B. K. Ashok as members of the Committee.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Nilesh Shah & Associates, Company Secretary in Practice, to undertake the Secretarial Audit of the Company for the year ended March 31, 2015.

The Secretarial Audit Report is annexed herewith as an 'Annexure III'.

"EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

There are no adverse qualification, reservations or remarks in the statutory auditors report.

Other observations made by statutory auditors in their report read together with information and explanation given in financial statements along with notes to accounts are self explanatory and do not call for further explanation.

As regards to observation of Secretarial Auditor regarding non-appointment of company secretary in the capacity of Key Managerial Personnel, the Board state that after resignation of previous company secretary, the Company has taken steps to find the suitable candidate and has appointment Ms. Pooja Sanghavi as Company Secretary w.e.f. 02.05.2015."

NOMINATION AND REMUNERATION POLICY:

Pursuant to provisions of Section 178 of the Companies Act, 2013, the Board has, on recommendation of Nomination & Remuneration Committee, formulated a Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of Companies Act, 2013.

Nomination and Remuneration Policy has been annexed to the Corporate Governance Report.

STATUTORY AUDITORS:

M/s. Motilal & Associates, Chartered Accountants, were appointed as the Statutory Auditors for a period of 5 years in the Annual General Meeting held on 27.09.2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

DETAILS OF FRAUD REPORTED BY AUDITORS:

There were no frauds which are reported to have been committed by employees or officers of the Company. The statutory auditors of the Company have vide their report of even date confirmed that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

EXTRACTS OF ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in 'Annexure IV' and is attached to this Report.

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

(A) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Conservation of energy:

The Company is engaged in manufacturing of gems and jewellery and as such its operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as Installation of capacitors to save power, Installed Thin Film Transistor (TFT) monitors that saves power, LED Lights, Creating environmental awareness by way of distributing the information in electronic form, Minimising air-conditioning usage, Shutting off all the lights when not in use.

Technology absorption:

The Company follows the hybrid model to improve, optimize, cost efficiency, agility and manage costs through usage of infrastructure as per business cycles and needs. The activities and business of the Company are such that it does not involve use of ultra modern technologies.