



# GOLKUNDA DIAMONDS & JEWELLERY LIMITED

REGD. OFF. : G-30, GEMS & JEWELLERY COMPLEX - III, SEEPZ, ANDHERI (EAST), MUMBAI - 400 096. INDIA  
Tel. : (91-22) 2829 0155 / 2829 0156 / 6693 8470 FAX : 2829 0373 Email : admin@golkunda.com Web : www.golkunda.com  
CIN No. : L36912MH1990PLC058729

To,  
BSE Limited  
Corporate Relationship Department,  
Phirozee Jeejeebhoy Towers,  
Mumbai-400001

Date: 03.10.2017

**Ref: Scrip Code:-523676**

**Sub: Submission of Annual Report pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

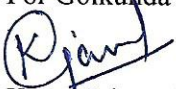
Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the Annual Report of the Company duly approved and adopted by the members as per the provisions of the Companies Act, 2013 at the Annual General Meeting of the Company held on Thursday, the 28<sup>th</sup> day of September, 2017.

Kindly acknowledge the receipt and take the same on your record.

Thanking you,

Yours faithfully,  
For Golkunda Diamonds & Jewellery Limited

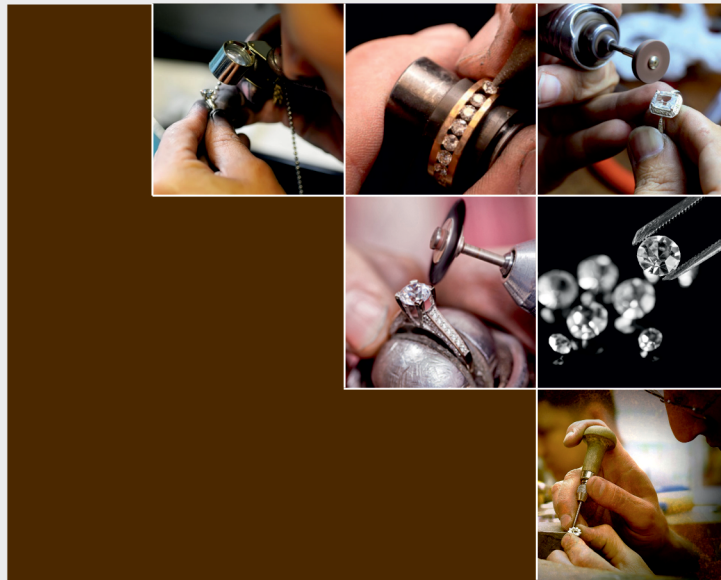
  
Kopal Jain

Company Secretary & Compliance Officer

Encl:As above



GOLKUNDA



# 27th annual report

2016-2017

GOLKUNDA Diamonds & Jewellery Ltd.



## **GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

**REGISTERED OFFICE** G-30, Gems & Jewellery, Complex - III, SEEPZ, Andheri (East), Mumbai - 400 096  
Email id:admin@golkunda.com Contact No.:022-28290155/28290156/66938470

### **BOARD OF DIRECTORS**

Mr. Kanti Kumar Dadha (DIN:00283289)	(Chairman & Managing Director)
Mr. Karan Singh Baid (DIN:00283224)	(Whole Time Director)
Mr. Arvind Dadha(DIN:00317631)	(Whole Time Director)
Mr. B. K. Ashok (DIN:00922780)	(Independent Director)
Mr. Gautam Dadha (DIN:00317378)	(Independent Director)
Mr. Mangilal Maloo(DIN:03041373)	(Independent Director)
Mrs. Roli Gupta(DIN:07109930)	(Independent Director) (upto 12.08.16)
Mrs. Rajani Poddar(DIN:07224114)	(Independent Director) (w.e.f. 12.08.16)
Mr. Ashish Dadha	(Chief Financial Officer)
Ms. Pooja Sanghavi	(Company Secretary) (upto 22.05.17)
Ms. Kopal Jain	(Company Secretary) (w.e.f. 30.05.17)

### **PRINCIPLE BANKERS**

State Bank of India

### **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-INE798D1015

### **CORPORATE IDENTITY NUMBER:**

CIN: L36912MH1990PLC058729

### **WEBSITE**

www.golkunda.com



## NOTICE

**NOTICE** is hereby given that the 27th 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 Thursday, 28th September, 2017 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, 2017 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 2017.
3. To appoint a Director in place of Mr. Arvind 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.

### 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** pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if any required, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Kantikumar Dadha (DIN: 00283289) as Managing Director of the Company (not liable to retire by rotation) for the further period of Three years with effect from 1st October, 2017 on payment of remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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** pursuant to the provisions of Section 203 read along with rules made thereunder, the consent of the members of the company be and is hereby accorded for appointment / continuation of appointment of Mr. Kantikumar Dadha, Managing Director as Chairman of the Company w.e.f. 1st October, 2017.

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

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest 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** pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if any required, the consent of the members of the company be and is hereby accorded to the re-appointment of Mr. Arvind Dadha (DIN: 00317631) as Whole Time Director of the Company for the further period of Three years with effect from 1st October, 2017 on payment of remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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- (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-imbursalment of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

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

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Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if any required, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Karan Singh Baid (DIN: 00283224) as Whole Time Director of the Company for the further period of Three years with effect from 10th November, 2017 on payment of remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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- (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 re-imbursalment of all out of pocket expenses which may be incurred by him for and in the course of business of the Company."

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

**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.**

**KANTI KUMAR DADHA**  
(Chairman & Managing Director)

Date: 14.08.2017

**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, 5, 6 & 7 of the accompanying notice as required by Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will be closed from 22.09.2017 to 28.09.2017 (Both days inclusive) for the purpose of determining eligibility of members entitled to dividend.
4. Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of special business to be transacted at the Annual General Meeting is annexed to this Notice.
5. Relevant documents referred to in accompanying Notice and statement are open for the inspection by the members at the Registered Office of the Company on all working day (except Saturday) during business hours up to date of the Annual General Meeting.
6. Corporate members intending to send their authorized representatives at the Annual General Meeting are requested to send a certified true copy of the board resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
7. 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, 2017 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, 2017. Transfer documents received after September 21, 2017 will not be considered for the aforesaid purposes.
8. All the members who have either not received or have not yet encashed their dividend warrant(s) for the financial year March 31, 2011, March 31, 2014, March 31, 2015 and March 31, 2016 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.
9. 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.
10. 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.



11. Members / proxies are requested to bring the copies of annual report and attendance slip duly filled while attending the meeting.
12. All the members are requested to register their e-mail id with Sharex Dynamic (India) Pvt. Ltd., Registrar and share transfer agent for the purpose of service of documents under Section 20 of the Companies Act, 2013 by e-mode instead of physical service of documents.
13. The members holding the shares in physical form can avail of the nomination facility in terms of Section 72 of the Companies Act, 2013, by furnishing Form SH.13 (in duplicate) to the Company or the Registrar and Share Transfer Agent of the Company. The said form will be made available on request. In case of shares held in dematerialized form, a nomination form will have to be lodged by the members with their DPs.
14. 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.
15. 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. 21st September, 2017 may follow the same procedure as mentioned below for e-Voting. However, if you are already registered with CDSL for remote e-voting then you can use your existing password for casting your vote.

**16. 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 Monday, 25.09.2017 at 9.00 A.M. and ends on Wednesday, 27.09.2017 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 21.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders / Members.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  * 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 OR Date of Birth DOB	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.  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)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Gokunda Diamonds and Jewellery Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the change password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (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](http://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](mailto: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 linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 21st September, 2017.
- (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 Annual General Meeting and through remote e-voting will not later than three days of the conclusion of Annual General Meeting 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](http://www.golkunda.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com).

#### **Explanatory statement pursuant to section 102 of the Companies Act, 2013**

##### **ITEM NO. 5:**

Tenure of appointment of Mr. Kanti Kumar Dadha as Managing Director expires on 30th September, 2017. Having regards to the knowledge and experience in the Diamonds, Gems & Jewellery Business and likely growth of the business of the Company under his able guidance and supervision, it is proposed, subject to approval of members in the General Meeting to re-appoint Mr. Kanti Kumar Dadha as Chairman and Managing Director of the Company w.e.f. 1st October, 2017 for the period of further Three years. The re-appointment and remuneration has been approved by the Board of Directors and Nomination & Remuneration Committee in their respective meeting held on 30th May, 2017.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 01.10.2017 to 30.09.2020

##### **Terms of Appointment**

Remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

Notwithstanding the remuneration payable to Mr. Kanti Kumar Dadha as detailed above, wherein any financial year during tenure of office of Mr. Kanti Kumar Dadha, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Mr. Kanti Kumar Dadha by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule V of the Companies Act, 2013 or within such ceiling limits as may be recodified unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- (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.



**STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):**

**I: General Information about the Company:**

- Nature of Industry:** The object of the company for which it is formed is to manufacture and deal in polished gems, diamonds and other stones.
- 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 manufacturer, dealer of polished gems, diamonds and other stones and jewellery.
- Financial Performance Based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2017 are as under:

Particulars	For the Year ended 31.03.2017 (Rs.)
Total Income	83,86,93,932
Net Profit Before Depreciation and Tax	1,55,39,297
Depreciation	28,81,148
Net Profit Before Tax	1,26,58,149
Provision for Taxation	43,50,091
Net Profit after Tax	83,08,058

- 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:**

- Brief Profile of Appointee:** Mr. Kantikumar Dadha holds B.Com Degree. He 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.
- Past remuneration:** In the past, Mr. Kantikumar Dadha has drawn Remuneration not exceeding Rs. 2,50,000/- p.m. from the Company.
- 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.
- 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.
- Remuneration proposed:** It is proposed to pay Managerial Remuneration to Mr. Kantikumar Dadha for an amount not exceeding Rs. 2,50,000/- per month.
- Comparative Remuneration in the Industry:** Considering the nature of industry and speciality of services rendered by Mr. Kantikumar Dadha and also considering the complex role performed by Mr. Kantikumar Dadha no comparative remuneration of industry is available for information.
- Material Pecuniary Relationship:** Mr. Arvind Dadha is a Whole Time Director, son of Mr. Kanti Kumar Dadha and draws remuneration from the Company. Mr. Ashish Dadha, son of Mr. Kanti Kumar Dadha, is a Chief Financial Officer draws remuneration from the Company.

**III: Other information:**

- Reason for inadequate Profit and measures taken for improvement:** The Company has 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.
- Steps taken and proposed to be taken for improvement:** The Company is taking every possible steps to increase the business volume and thereby profitability. Measures have been taken to controls input costs and overheads. The Company has focused on exports. The bottom-line of the company has been increasing steadily over past 3 years.
- 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 15% to 20 % growth in income and profitability in next 3 years.

The appointment can be terminated by either party by giving 3 months notice.

Accordingly, as per the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

None of the Directors except Mr. Kantikumar Dadha and Mr. Arvind Dadha & Mr. Ashish Dadha (Chief Financial Officer) (who may be deemed to be interested in the resolution, to the extent of their shareholdings in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 5.

**ITEM 6:**

Tenure of appointment of Mr. Arvind Dadha as Whole Time Director expires on 30th September, 2017. Having regards to the knowledge and experience in the Diamond & Jewellery Marketing and procurement of Raw Material and likely growth of the business of the company under his able guidance and supervision, it is proposed, subject to approval of members in the General Meeting to re-appoint Mr. Arvind Dadha as Whole Time Director of the Company w.e.f. 1st October, 2017 for the further period of Three years. The re-appointment and remuneration has been approved by the Board and Nomination & Remuneration Committee in their respective meeting held on 30th May, 2017.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 01.10.2017 to 30.09.2020





#### Terms of Appointment

Remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

Notwithstanding the remuneration payable to Mr. Arvind Dadha as detailed above, wherein any financial year during tenure of office of Mr. Arvind Dadha, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Mr. Arvind Dadha by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule V of the Companies Act, 2013 or within such ceiling limits as may be recodified unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- 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;
- gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

#### STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):

##### I: General Information about the Company:

- Nature of Industry:** The object of the company for which it is formed is to manufacture and deal in polished gems, diamonds and other stones.
- 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 manufacturer, dealer of polished gems, diamonds and other stones and jewellery.
- Financial Performance Based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2017 are as under:

Particulars	For the Year ended 31.03.2017 (Rs.)
Total Income	83,86,93,932
Net Profit Before Depreciation and Tax	1,55,39,297
Depreciation	28,81,148
Net Profit Before Tax	1,26,58,149
Provision for Taxation	43,50,091
Net Profit after Tax	83,08,058

- 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:

- Brief Profile of Appointee:** Mr. Arvind Dadha holds B.com Degree from Mumbai University having an experience of 14 years in the Industry.
- Past remuneration:** In the past, Mr. Arvind Dadha has drawn Remuneration not exceeding Rs. 2, 50,000/- p.m. from the Company.
- Recognition and Award received in past:** Mr. Arvind Dadha is associated with the various Social Organizations. However there is no reportable Recognition and Award received.
- Job Profile and Suitability:** Mr. Arvind Dadha is responsible for manufacturing and marketing functions of the Company.
- Remuneration proposed:** It is proposed to pay Managerial Remuneration to Mr. Arvind Dadha for an amount not exceeding Rs. 2,50,000/- per month.
- Comparative Remuneration in the Industry:** Considering the nature of industry and speciality of services rendered by Mr. Arvind Dadha and also considering the complex role performed by Mr. Arvind Dadha no comparative remuneration of industry is available for information.
- Material Pecuniary Relationship:** Mr. Kanti Kumar Dadha, Father of Mr. Arvind Dadha is a Managing Director of the Company and draws remuneration from the Company and Mr. Ashish Dadha, brother of Arvind Dadha is a Chief Financial Officer, draws remuneration from the Company.

##### III: Other information:

- Reason for inadequate Profit and measures taken for improvement:** The Company has 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.
- Steps taken and proposed to be taken for improvement:** The Company is taking every possible steps to increase the business volume and thereby profitability. Measures have been taken to controls input costs and overheads. The Company has focused on exports. The bottom-line of the company has been increasing steadily over past 3 years.
- 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 15% to 20 % growth in income and profitability in next 3 years.



The appointment can be terminated by either party by giving 3 months notice.

Accordingly, as per the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

None of the Directors except Mr. Arvind Dadha and Mr. Kantikumar Dadha & Mr. Ashish Dadha (Chief Financial Officer) (who may be deemed to be interested in the resolution, to the extent of their shareholdings in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 6.

**ITEM 7:**

Tenure of appointment of Mr. Karan Singh Baid as Whole Time Director expires on 9th November, 2017. Having regards to the knowledge and experience in the Diamond & Jewellery manufacturing and likely growth of the business of the company under his able guidance and supervision, it is proposed, subject to approval of members in the General Meeting to re-appoint Mr. Karan Singh Baid as Whole Time Director of the Company w.e.f. 10th November, 2017 for the further period of Three years. The re-appointment and remuneration has been approved by the Board and Nomination & Remuneration Committee in their respective meeting held on 30th May, 2017.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 10.11.2017 to 09.11.2020

**Terms of Appointment**

Remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

Notwithstanding the remuneration payable to Mr. Karan Singh Baid as detailed above, wherein any financial year during tenure of office of Mr. Karan Singh Baid, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Mr. Karan Singh Baid by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule V of the Companies Act, 2013 or within such ceiling limits as may be recodified unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- 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;
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- Encashment of leave at the end of the tenure.

**STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):**

**I: General Information about the Company:**

- Nature of Industry:** The object of the company for which it is formed is to manufacture and deal in polished gems, diamonds and other stones.
- 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 manufacturer, dealer of polished gems, diamonds and other stones and jewellery.
- Financial Performance Based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2017 are as under:

Particulars	For the Year ended 31.03.2017 (Rs.)
Total Income	83,86,93,932
Net Profit Before Depreciation and Tax	1,55,39,297
Depreciation	28,81,148
Net Profit Before Tax	1,26,58,149
Provision for Taxation	43,50,091
Net Profit after Tax	83,08,058

- 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:**

- Brief Profile of Appointee:** Mr. Karan Singh Baid holds D.E.E Degree. Mr. Karan Singh Baid 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.
- Past remuneration:** In the past, Mr. Karan Singh Baid has drawn Remuneration not exceeding Rs. 2,50,000/- p.m. from the Company.
- Recognition and Award received in past:** Mr. Karan Singh Baid is associated with the various Social Organizations. However there is no reportable Recognition and Award received.
- Job Profile and Suitability:** Mr. Karan Singh Baid is responsible for administration, production and direction for the organization.
- Remuneration proposed:** It is proposed to pay Managerial Remuneration to Mr. Karan Singh Baid for an amount not exceeding Rs. 2,50,000/- per month.



6. **Comparative Remuneration in the Industry:** Considering the nature of industry and speciality of services rendered by Mr. Karan Singh Baid and also considering the complex role performed by Mr. Karan Singh Baid no comparative remuneration of industry is available for information.
7. **Material Pecuniary Relationship:** The Company does not have any material pecuniary relationship with Mr. Karan Singh Baid.

**III: Other information:**

1. **Reason for inadequate Profit and measures taken for improvement:** The Company has 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.
2. **Steps taken and proposed to be taken for improvement:** The Company is taking every possible steps to increase the business volume and thereby profitability. Measures have been taken to controls input costs and overheads. The Company has focused on exports. The bottom-line of the company has been increasing steadily over past 3 years.
3. **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 15% to 20 % growth in income and profitability in next 3 years.

The appointment can be terminated by either party by giving 3 months notice.

Accordingly, as per the provisions of Sections 161, 196, 197 and any other applicable provisions of the Companies Act, 2013, the Board of Directors recommends the Special Resolution set out at Item No. 7 of the accompanying Notice for the approval of the Members.

None of the Directors except Mr. Karan Singh Baid (who may be deemed to be interested in the resolution, to the extent of his shareholdings in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 7.

**REGISTERED OFFICE:**

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

Date:14.08.2017

By and on behalf of  
THE BOARD OF DIRECTORS  
**GOLKUNDA DIAMONDS AND JEWELLERY LTD.**

**KANTI KUMAR DADHA**  
(Chairman & Managing Director)

**ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING**

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

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

Details of Director seeking Re-Appointment at the forthcoming Annual General Meeting:

Name of Director	Mr. Kanti Kumar Dadha	Mr. Karan Singh Baid	Mr. Arvind Dadha
Date of Birth	22.06.1948	29.08.1948	31.12.1976
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	30.10.1990	30.10.1990	01.10.1999
Qualification	B.Com	D.E.E	B.Com
Expertise	Jewellery Manufacturing & Marketing	Administration & Production	Jewellery Manufacturing & Marketing
Number of shares held in the Company	295558	185156	344435
List of Directorships held in other companies	Neverloose Properties & Investment Pvt. Ltd.	Neverloose Properties & Investment Pvt. Ltd	Tecnova Digital India Private Ltd.
Chairman/ Member of the Committee of the Board of Companies in which he is Director (other than Golkunda)	NIL	NIL	NIL



## BOARD REPORT

To,  
The Members,  
**GOLKUNDA DIAMONDS AND JEWELLERY LIMITED**  
Mumbai

Your Directors have pleasure in submitting their 27th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

### **FINANCIAL RESULTS / STATE OF COMPANY'S AFFAIRS:**

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

(Amt. in Rs)

Particulars	Financial Year Ended	
	31/03/2017	*31/03/2016
Net Sales / Income from Business Operations	83,74,90,763	97,67,72,730
Other Income	12,03,169	45,150
Total Income	83,86,93,932	97,68,17,880
Provision for Depreciation / Amortization	28,81,148	29,20,793
Profit/(loss) after Depreciation & before Provision for Tax	1,26,58,149	4,23,42,121
Less: Provision for Income Tax (Current Tax)	45,00,000	1,45,00,000
Less: Deferred Tax	(3,36,827)	(3,22,685)
Less: Prior period tax adjustment	1,86,918	-
Net Profit/(Loss) After Tax	83,08,058	2,81,64,806
Amount of Dividend / Provision for Dividend	24,37,428	41,78,448
Amount Propose to be transferred to General Reserve	25,00,000	25,00,000
Earning per share (Basic & Diluted)	1.19	4.04

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

### **DIVIDEND:**

Your Directors are pleased to recommend a final dividend of Rs. 0.35/- i.e. @ 3.5% per Equity Share for the financial year ended 31.03.2017. The dividend, if approved and declared in the forthcoming Annual General meeting would result a Dividend outflow of Rs. 24,37,428/- and dividend Distribution Tax of Rs. 4,96,203/- aggregating a total outflow of Rs. 29,33,631/-.

### **TRANSFER OF UNCLAIMED / UNPAID AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company does not have any funds as contemplated under Section 125 of the Companies Act, 2013 lying unpaid or unclaimed 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:**

There are 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:**

The particulars of loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review are disclosed under the respective schedules / notes in the financial statements.

### **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](http://www.golkunda.com).

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint venture or Associate Company and hence no further disclosure is required in this regard.

### **HOLDING COMPANY:**

Neverloose Properties & Investment Private Limited continues to be Holding Company with 56.99% stake in the 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 during the year nor has any outstanding deposits in terms of Section 73 to 76 of the Companies Act, 2013.

### **SHARE CAPITAL:**

As on 31st March, 2017, the issued, subscribed and paid up share capital of your Company stood at Rs. 6,96,40,800/- (Rupees Six Crores Ninety Six Lacs Forty Thousand Eight Hundred Only), comprising 69,64,080 (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 issue any sweat equity or issued any Bonus Shares. Further, the Company has not bought back any of its securities during the year under review and hence no details / information invited in this respect.



**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 6 (Six) Board meetings on 26.05.2016, 01.08.2016, 12.08.2016, 11.11.2016, 10.01.2017, 13.02.2017. The details of attendance of Directors at the Board Meeting are disclosed under Corporate Governance section of Annual Report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In terms of Article of Association of the Company, Mr. Arvind Dadha retires at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The details of director being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the company.

Ms. Pooja Sanghavi has resigned as Company Secretary and Compliance Officer of the Company w.e.f. 22.05.2017 and the company has appointed Ms. Kopal Jain as Company Secretary and Compliance Officer of the company w.e.f 30.05.2017.

The tenure of appointment of Mr. Kantikumar Dadha (DIN: 00283289) as Managing Director of the Company will expire on 30.09.2017. The Board has approved the re-appointment as per the recommendation of Nomination & Remuneration Committee subject to approval of members at ensuing Annual General Meeting. Your Directors recommends the re-appointment of Mr. Kantikumar Dadha as Managing Director of the Company for a period of three (3) years with effect from 01.10.2017 at the ensuing Annual General Meeting.

The tenure of appointment of Mr. Karan Singh Baid (DIN: 00283224) and Mr. Arvind Dadha (DIN: 00317631), Whole Time Directors of the company will expire on 09.11.2017 and 30.09.2017 respectively. The Board has approved the re-appointment as per the recommendation of Nomination & Remuneration Committee subject to approval of members at ensuing Annual General Meeting. Your Directors recommends the re-appointment of Mr. Karansingh Baid and Mr. Arvind Dadha as Wholetime Directors of the company w.e.f. 10.11.2017 and 01.10.2017 respectively for a period of three (3) years at the ensuing Annual General Meeting.

Mr. Ashish Dadha is acting as Chief Financial Officer of the Company.

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

- in the preparation of the annual accounts for 2016-17, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 2016-17 and of the profit and loss of the company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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.
- 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.

**DECLARATION OF INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each Independent Director as required under section 149(7) of the Companies Act, 2013, that he / she meets the criteria for independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BOARD EVALUATION:**

Pursuant to provisions of Companies Act, 2013 and Schedule IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR), 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 Non- Executive Director	Chairman
2	Mr. Gautam Chand Dadha	Independent Non- Executive Director	Member
3	Mr. Askokkumar Bekal	Independent Non- Executive Director	Member

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

The details of composition, terms of reference, meetings of committee, attendance of members at Committee meetings are available in the Corporate Governance Report and forms part of this Annual Report.



**WHISTLE BLOWER POLICY / VIGIL MECHANISM:**

In compliance with the provisions of section 177(9) of the Companies Act, 2013 and Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR), 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](http://www.golkunda.com).

**FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

Pursuant to requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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](http://www.golkunda.com).

**RISK MANAGEMENT:**

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](http://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.

The details of composition, terms of reference, meetings of CSR committee, attendance of members at Committee meetings are available in the Corporate Governance Report and forms part of this Annual Report.

**NOMINATION & REMUNERATION COMMITTEE**

In compliance with the provisions of Companies Act, 2013, your Company has '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 Dadha and Mr. Ashokkumar Bekal as members of the Committee.

The details of composition, terms of reference, meetings of committee, attendance of members at Committee meetings are available in the Corporate Governance Report and forms part of this Annual Report.

**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.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Your Company has '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. Ashokkumar Bekal as members of the Committee.

The details of composition, terms of reference, meetings of committee and details of shareholders complains received, solved and pending are available in the Corporate Governance Report and forms part of this Annual Report.

**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, 2017.

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

The Secretarial Audit Report does not contain any material qualification, reservation or adverse remark.

**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 needs to be confirmed, ratified and approved in the ensuing Annual General Meeting. Your Directors recommend the ratification of appointment of Auditor at the ensuing Annual General Meeting.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The comments by the auditors in their report read along with information and explanation given in notes to accounts are self explanatory and do not call for further explanation.

**DETAILS OF FRAUD:**

There were no frauds which are reported to have been committed by employees or officers of the Company.

**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**

There were no material orders passed by the judicial or quasi Judicial Authority which affects the Going Concern Status of the Company during the year under review.

**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.



**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down the guidelines and procedure to be followed and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor, and ensure reporting of dealings by employees. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosures of unpublished price sensitive information and code of conduct for prevention of insider trading is available on the website of the Company.

**LISTING FEES:**

The Equity Shares of the Company is listed on BSE Limited and the company has paid the applicable listing fees to the Stock Exchange till date.

**INFORMATION UNDER REGULATION 34 (3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

The Company does not have shares lying with the Company in Unclaimed Suspense Account as on March 31, 2017.

**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.

**(B) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earning:		
Export at FOB basis:		Rs. 81,95,24,785/-
Foreign Exchange Outgo:		
Value of Import on CIF basis		
Raw Material	Rs.10,76,25,818/-	
Studded Jewellery	Rs. 5, 56,85,376/-	
Travelling Expenses	Rs. 2,04,173/-	Rs. 16,35,15,367/-

**EMPLOYEES:**

Information on particulars of employees' remuneration as per Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is reported to be nil as there are no employees who are in receipt of remuneration above the prescribed limit.

The details in terms of Sub - Section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this Report as 'Annexure V'.

**DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

There were no instances / complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**CORPORATE GOVERNANCE:**

A separate section covering the Management Discussion and Analysis and Corporate Governance as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) is attached herewith and forms a part of this report.

The requisite certificate from the Statutory Auditors of the Company i.e. M/s Motilal & Associates, Chartered Accountants, Mumbai confirming compliance with the conditions of Corporate Governance as stipulated under regulation 34 (3) and schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

The declaration signed by the Managing Director of the Company regarding compliance of Code of Conduct for Board members and Senior Management personnel forms part of this Report.

**CEO / CFO CERTIFICATION:**

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance norms, Mr. Kanti Kumar Dadha, Managing Director and Mr. Ashish Dadha, Chief Financial Officer, has certified, inter-alia, on review of financial statements and establishing and maintaining internal controls for the financial year ended 31.03.2017.

**ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors deeply appreciate the committed efforts put in by employees at all levels, whose continued commitment and dedication contributed greatly to achieving the goals set by your Company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
**GOLKUNDA DIAMONDS AND JEWELLERY LIMITED**

**KANTI KUMAR DADHA**  
Chairman & Managing Director

Date: 14.08.2017  
Place: Mumbai



**Annexure I**  
**Form AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered in during the year ended March 31, 2017, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

a)	Name(s) of the related party and nature of relationship	Mrs. Kusum Dadha, Wife of Mr. Kantikumar Dadha	Mr. Ashish Dadha, CFO & Son of Mr. Kantikumar Dadha
b)	Nature of contracts / arrangements / transactions	Rent	Salary
c)	Duration of the contracts / arrangements/transactions	On going	On going
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Payment of rent in respect of property used by the Company's Officers, Rs. 8,13,000/-	Payment of remuneration for acting as a Chief Financial Officer of the Company, Rs. 14,39,742/-
e)	Date(s) of approval by the Board	N.A.	13.11.2014
f)	Amount paid as advances, if any:	NIL	NIL

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
**GOLKUNDA DIAMONDS AND JEWELLERY LIMITED**

Date: 14.08.2017  
Place: Mumbai

**KANTI KUMAR DADHA**  
Chairman & Managing Director





**Annexure - II**  
**Corporate Social Responsibility (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	As a socially responsible corporate citizen, your Company is committed to the core values of collective progress and welfare. The Company aims to undertake initiatives that create sustainable growth and empowers under privileged sections of society. The areas of focus of CSR for health, Education, Sustainable livelihood, etc.  The CSR Policy adopted by the Company be accessed <a href="http://www.golkunda.com">www.golkunda.com</a> .
2	The Composition of the CSR Committee.	1. Mr. Mangilal Maloo (Independent Director-Chairman) 2. Mr. Kanti Kumar Dadha (Executive Director) 3. Mr. Karan Singh Baid (Executive Director)
3	Average net profit of the company for last three financial year	Rs. 5,12,52,202/-
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	Rs. 10,25,044/-
5	Details of CSR spent during the financial year. (a) Total amount to be spent for the financial year (b) Amount unspent, if any (c) Manner in which the amount spent during the financial year	Rs. 10,25,044/- N.A. As detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs wise	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (give details of impementing agency)
1	Donation to a Trust engaged in the healthcare / education activities	Healthcare	Valsad, Gujarat	Rs. 10,26,000/-	Rs. 10,26,000/-	Rs. 10,26,000/-	The Company has made donation to Shrimad Rajchandra Sarvamangal Trust
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.			Not Applicable			
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company			The Chairman on behalf of the CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.			



**Annexure - III**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
Golkunda Diamonds & Jewellery Limited  
G-30, Gems & Jewellery, Complex III,  
SEEPZ, Andheri (East),  
Mumbai-400 096

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by Golkunda Diamonds & Jewellery Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under; (including the statutory Books maintained by Company in terms of Provisions of Companies Act, 1956 and in force, during our Audit Period).
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- (v) We have been given to understand that considering activities of the Company, there is no specific regulator / law subject to whose approval Company can carry on / continue business operation and hence no comment is invited in respect of the same. The Company is situated under SEEPZ jurisdiction and subjected to the Compliance of SEEPZ Rules and Regulations. We have also in-principally verified systems and mechanism which is in place and followed by the Company to ensure Compliance of other applicable Laws like Labour Laws, Environmental Law, Regulation prescribed by SEEPZ Authorities, etc. (in addition to the above mentioned Laws (i to iv) and applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the of the same.

We have also examined compliance with the applicable clauses of:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (b) The Listing Agreements entered into by the Company with Stock Exchange(s).

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines:

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made there under in respect of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has



substantially complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above. We have no observation or instances of material non compliance.

**Recommendations as a matter of best practice:**

In the course of our audit, we have made certain suggestions and recommendations for good corporate practices including timely intimation to Regulatory authorities of statutory disclosure /information, for its necessary consideration and implementation by the Company.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

We also report that adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officer, we herewith report that majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken any event / action having a major bearing on the Company's statutory compliance and affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Note: This Report is to be read along with attached Letter provided as "Annexure - A".

Date:14.08.2017  
Place:- Mumbai

Signature:-  
Name:- Nilesh Shah  
For:-Nilesh Shah & Associates  
FCS : 4554  
C.P. : 2631

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**'ANNEXURE A'**

To  
The Members,  
**Gokunda Diamonds & Jewellery Limited**  
G-30, Gems & Jewellery, Complex III,  
SEEPZ, Andheri (East),  
Mumbai-400 096

Dear Sir / Madam,

SUB: Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 14.08.2017  
Place:- Mumbai

Signature:-  
Name:- Nilesh Shah  
For:-Nilesh Shah & Associates  
FCS : 4554  
C.P. : 2631



**Annexure- IV**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

<b>I. REGISTRATION AND OTHER DETAILS</b>	<b>Annexure – A</b>
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>  All Business activities of the Company contributing 10% or more of the total Turnover of the Company.	<b>Annexure – B</b>
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	<b>Annexure – C</b>
<b>IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>  i) Category wise Share Holding ii) Share Holding of Promoters iii) Change in Promoters Shareholding iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) v) <b>Shareholding of Directors and Key Managerial Personnel</b>	<b>Annexure – D</b> <b>Annexure – E</b> <b>Annexure – F</b> <b>Annexure – G</b> <b>Annexure – H</b>
<b>V. INDEBTEDNESS</b>	<b>Annexure – I</b>
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>  i) Remuneration to Managing Director, Whole-time Directors, Executive Director and/or Manager ii) Remuneration to other directors iii) Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD	<b>Annexure – J</b> <b>Annexure – K</b> <b>Annexure – L</b>
<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES</b>	<b>Not Applicable</b>



## **ANNEXURE – A**

### **I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L36912MH1990PLC058729
2.	Registration Date	30.10.1990
3.	Name of the Company	Golkunda Diamonds and Jewellery Limited
4.	Category / Sub-Category of the Company	Public Company/Limited by shares
5.	Address of the Registered office and contact details	G-30, Gems & Jewellery, Complex III, Seepz, Andheri (East), Mumbai – 400096 Phone:022- 28290155/28290156 FAX No. 28290373 Email ID: admin@golkunda.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Private Limited Unit – 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai -400 072 Phone: 022-2851 5606 / 5644 / 6388 Fax: 022-2851 2885 Email ID: sharexindia@vsnl.com

## **ANNEXURE – B**

### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Gold Jewellery studded with Diamonds and other stones	3211	100%

## **ANNEXURE – C**

### **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

[No. of Companies for which information is being filled]: 1

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	Neverloose Properties & Investment Private Limited 133, Canning Street, 1st Floor, Room No. 8, Kolkata, WB - 700001	U70109WB1993PTC058194	Holding	56.99%	2(46)



**ANNEXURE – D**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoter's</b>									
(1)	Indian									
a)	Individual/ HUF	11,15,464	0	11,15,464	16.018%	11,15,464	0	11,15,464	16.018%	0%
b)	Central Govt.	0	0	0	0%	0	0	0	0%	0%
c)	State Govt.(s)	0	0	0	0%	0	0	0	0%	0%
d)	Bodies Corp.	39,66,122	0	39,66,122	56.951%	39,68,752	0	39,68,752	56.989%	0.038%
e)	Banks / FI	0	0	0	0%	0	0	0	0%	0%
f)	Any other	0	0	0	0%	0	0	0	0%	0%
	<b>Sub-total (A) (1):</b>	<b>50,81,586</b>	<b>0</b>	<b>50,81,586</b>	<b>72.969%</b>	<b>50,84,216</b>	<b>0</b>	<b>50,84,216</b>	<b>73.007%</b>	<b>0.038%</b>
(2)	Foreign									
a)	NRI's- Individuals	0	0	0	0%	0	0	0	0%	0%
b)	Other-Individuals	0	0	0	0%	0	0	0	0%	0%
c)	Bodies Corp.	0	0	0	0%	0	0	0	0%	0%
d)	Banks / FI	0	0	0	0%	0	0	0	0%	0%
e)	Any Other	0	0	0	0%	0	0	0	0%	0%
	<b>Sub-total (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
	<b>Total Shareholding Promoter (A) = (A)(1) + (A)(2)</b>	<b>50,81,586</b>	<b>0</b>	<b>50,81,586</b>	<b>72.969%</b>	<b>50,84,216</b>	<b>0</b>	<b>50,84,216</b>	<b>73.007%</b>	<b>0.038%</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	Institutions									
a)	Mutual Funds	0	0	0	0%	0	0	0	0%	0%
b)	Banks / FI	100	0	100	0.001%	100	0	100	0.001%	0%
c)	Central Govt. (s)	0	0	0	0%	0	0	0	0%	0%
d)	State Govt	0	0	0	0%	0	0	0	0%	0%
e)	Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
f)	Insurance Companies	0	0	0	0%	0	0	0	0%	0%
g)	FII's	0	0	0	0%	0	0	0	0%	0%
h)	Foreign Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
i)	Others (specify)	0	0	0	0%	0	0	0	0%	0%
	<b>Sub-total (B)(1):</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0.001%</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0.001%</b>	<b>0%</b>
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	75,180	14,700	89,880	1.291%	63,186	14,700	77,886	1.118%	-0.173%
ii)	Overseas	0	0	0	0%	0	0	0	0%	0%
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	6,96,000	10,04,695	17,00,695	24.421%	642,150	9,96,595	16,38,745	23.531%	-0.890%
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	74,556	15,900	90,456	1.299%	1,59,479	0	1,59,479	2.290%	0.991%
c)	Others (specify)									
i)	Non Resident Indian	1,163	0	1,163	0.017%	1,843	0	1,843	0.026%	0.009%
ii)	Clearing Members	200	0	200	0.003%	1,811	0	1,811	0.026%	0.023%
	<b>Sub-total (B)(2):</b>	<b>8,47,099</b>	<b>10,35,295</b>	<b>18,82,394</b>	<b>27.031%</b>	<b>8,68,469</b>	<b>10,11,295</b>	<b>18,79,764</b>	<b>26.991%</b>	<b>-0.04%</b>
	<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>8,47,199</b>	<b>10,35,295</b>	<b>18,82,494</b>	<b>27.032%</b>	<b>8,68,569</b>	<b>10,11,295</b>	<b>18,79,864</b>	<b>26.992%</b>	<b>-0.04%</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>									
		0	0	0	0%	0	0	0	0%	0%
	<b>Grand Total (A+B+C)</b>	<b>59,28,785</b>	<b>10,35,295</b>	<b>69,64,080</b>	<b>100%</b>	<b>59,52,785</b>	<b>10,11,295</b>	<b>69,64,080</b>	<b>100%</b>	<b>0%</b>



**ANNEXURE – E**

**ii) Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kantikumar Dadha	2,95,558	4.244%	0	2,95,558	4.244%	0	NIL
2	Karan Singh Baid	1,85,156	2.659%	0	1,85,156	2.659%	0	NIL
3	Arvind Dadha	3,44,435	4.946%	0	3,44,435	4.946%	0	NIL
4	Sushila Baid	3,000	0.043%	0	3,000	0.043%	0	NIL
5	Mayank Baid	38,100	0.547%	0	38,100	0.547%	0	NIL
6	Kusum Dadha	93,320	1.340%	0	93,320	1.340%	0	NIL
7	Ashish Dadha	1,55,895	2.239%	0	1,55,895	2.239%	0	NIL
8	Neverloose Properties & Investment Pvt. Ltd	39,66,122	56.951%	0	39,68,752	56.989%	0	0.038%
	<b>Total</b>	<b>50,81,586</b>	<b>72.968%</b>	<b>0</b>	<b>50,84,216</b>	<b>73.006%</b>	<b>0</b>	<b>0.038%</b>

**ANNEXURE – F**

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Date	Increase			Decrease		Cumulative Shareholding during the year		At the end of the year	
	No. of shares	% of total shares of the co.		Allotment (specify type)	transfer	Others specify	transfer	Others specify	No. of shares	% of total shares of the co.	No. of shares	% of total shares of the co.
Neverloose Properties & Investment Pvt. Ltd	39,66,122	56.951%	25.11.16	-	230	-	-	-	39,66,352	56.954%	39,66,352	56.954%
			05.12.16	-	500	-	-	-	39,66,852	56.961%	39,66,852	56.961%
			08.12.16	-	500	-	-	-	39,67,352	56.969%	39,67,352	56.969%
			12.12.16	-	400	-	-	-	39,67,752	56.974%	39,67,752	56.974%
			16.01.17	-	500	-	-	-	39,68,252	56.981%	39,68,252	56.981%
			20.01.17	-	500	-	-	-	39,68,752	56.989%	39,68,752	56.989%

**ANNEXURE – G**

**iv) Shareholding Pattern of top ten Shareholders:**

(other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase			Decrease		Cumulative Shareholding during the year		At the end of the year	
	No. of shares	% of total shares of the co.		Allotment (specify type)	transfer	Others specify	transfer	Others specify	No. of shares	% of total shares of the co.	No. of shares	% of total shares of the co.
1 Meena Devi	64,000	0.919%	-	-	-	-	-	-	-	-	64,000	0.919%
2 Nanda Nahar	10,000	0.144%	24.06.16	-	1,600	-	-	-	11,600	0.167%	11,600	0.167%
			15.07.16	-	2,200	-	-	-	13,800	0.198%	13,800	0.198%
			30.09.16	-	6,135	-	-	-	19,935	0.286%	19,935	0.286%
			21.10.16	-	10,000	-	-	-	29,935	0.43%	29,935	0.43%
3 Religare Finvest Ltd	29,300	0.421%	30.06.16	-	-	-	800	-	28,500	0.409%	28,500	0.409%
4 VSL Securities Pvt Ltd	22,049	0.317%	-	-	-	-	-	-	-	22,049	0.317%	
5 Mahesh Kumar Dadha	2,197	0.032%	06.05.16	-	200	-	-	-	2,397	0.034%	2,397	0.034%
			13.05.16	-	275	-	-	-	2,672	0.038%	2,672	0.038%
			03.06.16	-	300	-	-	-	2,972	0.043%	2,972	0.043%
			10.06.16	-	328	-	-	-	3,300	0.047%	3,300	0.047%
			17.06.16	-	2,758	-	-	-	6,058	0.087%	6,058	0.087%
			24.06.16	-	1,248	-	-	-	7,306	0.105%	7,306	0.105%
			30.06.16	-	1,805	-	-	-	9,111	0.131%	9,111	0.131%
			08.07.16	-	1,005	-	-	-	10,116	0.145%	10,116	0.145%
			15.07.16	-	2,100	-	-	-	12,216	0.175%	12,216	0.175%
			22.07.16	-	370	-	-	-	12,586	0.181%	12,586	0.181%
			26.08.16	-	1,995	-	-	-	14,581	0.209%	14,581	0.209%
			02.09.16	-	50	-	-	-	14,631	0.210%	14,631	0.210%
			09.09.16	-	2,091	-	-	-	16,722	0.240%	16,722	0.240%
			30.09.16	-	300	-	-	-	17,022	0.244%	17,022	0.244%
07.10.16	-	200	-	-	-	17,222	0.247%	17,222	0.247%			
14.10.16	-	799	-	-	-	18,021	0.259%	18,021	0.259%			
21.10.16	-	10	-	-	-	18,031	0.259%	18,031	0.259%			
28.10.16	-	102	-	-	-	18,133	0.260%	18,133	0.260%			
23.12.16	-	800	-	-	-	18,933	0.272%	18,933	0.272%			
6 Shiv Kumar Baid	1000	0.014%	24.06.16	-	500	-	-	-	1,500	0.022%	1,500	0.022%
			23.09.16	-	15,900	-	-	-	17,400	0.249%	17,400	0.249%



7	Dinesh Kumar Bajaj	147	0.002%	22.04.16	-	65	-	-	-	212	0.003%	212	0.003%
				27.05.16	-	551	-	-	-	763	0.011%	763	0.011%
				03.06.16	-	2,200	-	-	-	2,963	0.043%	2,963	0.043%
				10.06.16	-	1,500	-	-	-	4,463	0.064%	4,463	0.064%
				30.06.16	-	500	-	-	-	4,963	0.071%	4,963	0.071%
				30.09.16	-	2,610	-	-	-	7,573	0.109%	7,573	0.109%
				18.11.16	-	250	-	-	-	7,823	0.112%	7,823	0.112%
				03.02.17	-	3,400	-	-	-	11,223	0.161%	11,223	0.161%
				10.02.17	-	1,500	-	-	-	12,723	0.183%	12,723	0.183%
				31.03.17	-	1,951	-	-	-	14,674	0.211%	14,674	0.211%
8	Vandana Bajaj	6240	0.09%	15.04.16	-	200	-	-	-	6,440	0.092%	6,440	0.092%
				20.05.16	-	1,097	-	-	-	7,537	0.108%	7,537	0.108%
				10.06.16	-	1,500	-	-	-	9,037	0.13%	9,037	0.13%
				30.09.16	-	5,500	-	-	-	14,537	0.209%	14,537	0.209%
9	Padmini Khanvilkar	3563	0.051%	29.07.16	-	976	-	-	-	4,539	0.065%	4,539	0.065%
				26.08.16	-	1,395	-	-	-	5,934	0.085%	5,934	0.085%
				02.09.16	-	2,400	-	-	-	8,334	0.12%	8,334	0.12%
				23.12.16	-	200	-	-	-	8,534	0.123%	8,534	0.123%
10	Usha Devi Agrawal	8400	0.121%	-	-	-	-	-	-	-	8400	0.121%	
11	Sumermall Kothari	8517	0.122%	23.09.16	-	-	-	500	-	-	8017	0.115%	
12	Periodical Investment & Fin Ltd.	6300	0.09%	-	-	-	-	-	-	-	6300	0.09%	
13	Mohmed Jamal Noorani	10,556	0.152%	22.04.16	-	-	-	500	-	10,056	0.144%	10,056	0.144%
				29.04.16	-	-	-	55	-	10,001	0.144%	10,001	0.144%
				13.05.16	-	-	-	1000	-	9001	0.129%	9001	0.129%
				03.06.16	-	242	-	-	-	9,243	0.133%	9,243	0.133%
				10.06.16	-	744	-	-	-	9987	0.143%	9987	0.143%
				17.06.16	-	-	-	1,587	-	8,400	0.121%	8,400	0.121%
				5.08.16	-	2100	-	-	-	10,500	0.151%	10,500	0.151%
				26.08.16	-	-	-	6524	-	3976	0.057%	3976	0.057%
				02.09.16	-	-	-	2526	-	1450	0.021%	1450	0.021%
				13.01.17	-	-	-	950	-	500	0.007%	500	0.007%
20.01.17	-	-	-	500	-	0	0	0	0				
14	Harsha V	10000	0.144%	7.10.16	-	-	-	10000	-	-	0	0	

## ANNEXURE – H

### v) Shareholding of Directors and Key Managerial Personnel:

Form each of Directors and KMP	Shareholding at the beginning of the year		Increase Date			Decrease Date		Cumulative Shareholding during the year		At the end of the year	
	No. of shares	% of total shares of the company	Allotment (specify type)	transfer	Others specify	transfer	Others specify	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Kanti Kumar Dadha	2,95,558	4.244%	-	-	-	-	-	-	-	2,95,558	4.244%
Mr. Karan Singh Baid	1,85,156	2.659%	-	-	-	-	-	-	-	1,85,156	2.659%
Mr. Arvind Kumar Dadha	3,44,435	4.946%	-	-	-	-	-	-	-	3,44,435	4.946%
Mr. Gautam Dadha	NIL	NIL	-	-	-	-	-	-	-	NIL	NIL
Mr. Mangilal Maloo	NIL	NIL	-	-	-	-	-	-	-	NIL	NIL
Mr. Ashok Kumar K. Bekal	NIL	NIL	-	-	-	-	-	-	-	NIL	NIL
Mr. Ashish Dadha	1,55,895	2.239%	-	-	-	-	-	-	-	1,55,895	2.239%
Ms. Roli Gupta	NIL	NIL	-	-	-	-	-	-	-	NIL	NIL
Ms. Rajani Poddar	NIL	NIL	-	-	-	-	-	-	-	NIL	NIL
Ms. Kopal Jain	NIL	NIL	-	-	-	-	-	-	-	NIL	NIL

## ANNEXURE – I

### V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	34,32,30,094	-	-	34,32,30,094
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>34,32,30,094</b>	-	-	<b>34,32,30,094</b>
<b>Change in Indebtedness during the financial year</b>					
i)	Addition	67,08,429	-	-	67,08,429
ii)	Reduction	(5,21,458)	-	-	(5,21,458)
	<b>Net Change</b>	<b>(61,86,971)</b>	-	-	<b>(61,86,971)</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	34,94,17,065	-	-	34,94,17,065
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>34,94,17,065</b>	-	-	<b>34,94,17,065</b>





**ANNEXURE – J**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Kanti Kumar Dadha (Managing Director)	Mr. Karan Singh Baid (Whole Time Director)	Mr. Arvind Dadha (Whole Time Director)	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,01,798	16,46,275	16,46,275	50,94,348
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2,89,180	24,640	39,110	3,52,930
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, please specify	—	—	—	—
	<b>Total (A)</b>	<b>20,90,978</b>	<b>16,70,915</b>	<b>16,85,385</b>	<b>54,47,278</b>
	<b>Ceiling as per the Act</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>90,00,000</b>

**ANNEXURE – K**

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Mangilal Maloo	Mr. Gautam Chand Dadha	Mr. Ashok Kumar K. Bekal	Mrs. Rajani Poddar	
1	Independent Directors					
(a)	Fee for attending board /committee meetings	20,000	20,000	—	20,000	60,000
(b)	Commission	—	—	—	—	—
(c)	Others, please specify	—	—	—	—	—
	<b>Total (1)</b>	<b>20,000</b>	<b>20,000</b>	<b>—</b>	<b>20,000</b>	<b>60,000</b>
2	Other Non-Executive Directors					
(a)	Fee for attending board committee meetings	—	—	—	—	—
(b)	Commission	—	—	—	—	—
(c)	Others, please specify	—	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (B)=(1+2)</b>	<b>20,000</b>	<b>20,000</b>	<b>—</b>	<b>20,000</b>	<b>60,000</b>
	<b>Total Managerial Remuneration</b>	<b>20,000</b>	<b>20,000</b>	<b>—</b>	<b>20,000</b>	<b>60,000</b>
	Overall Ceiling as per the Act (per Board Meeting)	1,00,000	1,00,000	—	1,00,000	—

**ANNEXURE – L**

**C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD**

Sr. No.	Particulars of Remuneration Key Managerial Personnel	Key Managerial Personnel		Total
		CFO Mr. Ashish Dadha	CS Ms. Pooja Sanghavi	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,39,742	1,80,600	16,20,342
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	- as % of profit	—	—	—
	- Others, specify.....	—	—	—
5	Others, please specify	—	—	—
	<b>Total</b>	<b>14,39,742</b>	<b>1,80,600</b>	<b>16,20,342</b>



**Annexure- V**

The details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of Director/KMP and Designation	Remuneration of Director/KMP for the F.Y. 2016-17	% increase in Remuneration in the F.Y. 2016-17	Ratio of remuneration of each Director/ KMP to median remuneration of employees
Mr. Kantikumar Dadha (Managing Director & KMP)	Rs. 20,90,978/-	19.35%	10.86:1
Mr. Karan Singh Baid (Whole Time Director)	Rs. 16,70,915/-	18.87%	8.70:1
Mr. Arvind Dadha (Whole Time Director)	Rs. 16,85,385/-	21.74%	8.78:1
Mr. Ashish Dadha (Chief Financial Officer- KMP)	Rs. 14,39,742/-	20.36%	7.51:1
Ms. Pooja Sanghavi (Company Secretary- KMP)	Rs. 1,80,600/-	11.41%	0.95:1

2. The median remuneration of employees of the Company during the financial year was Rs. 1,94,481/-. In the Financial Year 2016-17, there was an increase of 13.61% in the median remuneration of employees;
3. There were 46 number of employees on the rolls of the Company as on 31st March, 2017;
4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17, and comparison with the increase in the managerial remuneration for the same financial year.

Remuneration paid to employees excluding managerial personnel for the FY 2015-16	Remuneration paid to employees excluding managerial personnel for the FY 2016-17	% change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the FY 2015-16	Remuneration paid to managerial personnel for the FY 2016-17	(%) change in remuneration paid to managerial personnel
92,87,858	1,10,43,951	18.91%	59,75,784	71,57,848	19.78

There were no exceptional circumstances for increase in Managerial Remuneration.

5. Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
**For GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

**KANTI KUMAR DADHA**  
CHAIRMAN AND MANAGING DIRECTOR

DATE: 14.08.2017  
PLACE: MUMBAI



## CORPORATE GOVERNANCE REPORT

[Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Corporate Governance Report, as applicable for the year ended March 31, 2017 is set out below for the information of shareholders, investors and other stakeholders of GOLKUNDA DIAMONDS & JEWELLERY LIMITED ("Company").

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance heavily leans on the fact of its willingness to incorporate fairness and transparency as a second nature of operations in the Company. The Company aims at achieving an optimum balance between rewards to management and returns to shareholders, clearly understanding that while the management risks its efforts; shareholders risk their hard earned funds.

The Company believes that the essence of good Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across the organization.

### 2. BOARD OF DIRECTORS

#### a) Composition:

The Board of Directors of a Company has an optimum combination of Executive and Non-Executive Directors.

- 1) The Board of Directors of your Company comprises of an Executive Chairman and Managing Director, 2 Whole Time Executive Directors and 4 Non-Executive Independent Directors (including a one woman Director).
- 2) All Directors other than Mr. Kanti Kumar Dadha, Mr. Karan Singh Baid and Mr. Arvind Kumar Dadha are Non-Executive Independent Directors.

#### b) Attendance of Each Director at the Board Meeting and Last Annual General Meeting

Name	Category	Attendance Particulars		
		Number of Board Meetings		Last AGM held On 21ST Sept. 2016
		Held during tenure	Attended	
Mr. Kanti Kumar Dadha	Chairman & Managing Director (Promoter)	6	6	Yes
Mr. Karan Singh Baid	Whole Time Executive Director (Promoter)	6	6	Yes
Mr. Arvind Kumar Dadha	Whole Time Executive Director (Promoter)	6	6	Yes
Mr. Ashok Kumar K. Bekal	Independent Non-Executive Director	6	4	Yes
Mr. Gautam Chand Dadha	Independent Non-Executive Director	6	4	No
Mr. Mangilal Maloo	Independent Non-Executive Director	6	4	No
Mrs. Rajani Poddar*	Independent Non-Executive Director	4	4	Yes
Mrs. Roli Gupta**	Independent Non-Executive Director	2	Nil	N.A.

\* Ms. Rajani Poddar is appointed as a Director of the Company w.e.f. 12th August, 2016, hence she was entitled to attend the Four Board Meetings and attended the Four Board Meetings.

\*\* Ms. Roli Gupta has resigned as a Director of the company w.e.f. 12th August, 2016.

#### c) Number of other Boards or Board Committees in which he/she is a Member or Chairperson.

Name	Category	No. of Directorships and Committee Chairmanship / Membership (including this Company)			
		Director ship	Director ship in Listed companies	Committee Chairmanship	Committee Membership
Mr. Kanti Kumar Dadha	Chairman & Managing Director (Promoter)	1	1	0	0
Mr. Karan Singh Baid	Whole Time Executive Director (Promoter)	1	1	0	0
Mr. Arvind Kumar Dadha	Whole Time Executive Director (Promoter)	1	1	0	0
Mr. Ashok Kumar K. Bekal	Independent Non-Executive Director	1	1	0	2
Mr. Gautam Chand Dadha	Independent Non-Executive Director	1	1	0	2
Mr. Mangilal Maloo	Independent Non-Executive Director	1	1	2	2
Mrs. Rajani Poddar	Independent Non-Executive Director	1	1	0	0

#### d) Number of Board Meetings Held and Dates on which held:

Dates on which Board Meetings were Held	Total Strength of the Board	No. of Directors Present
26th May, 2016	7	6
01st August, 2016	7	3
12th August, 2016	7	7
11th November, 2016	7	7
10th January, 2017	7	4
13th February, 2017	7	7

#### Notes:

1. As detailed above, none of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors, nor as Chairman of more than five such committees.
2. Only directorship in public limited Companies (listed or unlisted) has been considered.
3. Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered.



e) **Disclosure of Relationships between Directors Inter-se:**

Name	Relation with Golkunda	Inter-se Relation
Mr. Kanti Kumar Dadha	Chairman and Managing Director	Father of Mr. Arvind Dadha
Mr. Arvind Kumar Dadha	Whole Time Director	Son of Mr. Kanti Kumar Dadha

There is no inter-se relationship between other directors.

f) **Disclosure of Shareholding by Non – Executive Directors:**

Sr. No	Name of Director	No. of Shares Held
1	Mr. Ashok Kumar K. Bekal	NIL
2	Mr. Gautam Chand Dadha	NIL
3	Mr. Mangilal Maloo	NIL
4.	Mrs. Rajani Poddar	NIL

g) **Board Procedure:**

The Board of Directors is presented with all the relevant information on vital matters that affect working of the Company. It is ensured that information as required under Part – A of Schedule II of Regulation 17 (7) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 is made available to the Board of Directors to enable them to discharge their function affectively.

h) **Code of conduct:**

- \* The Board of Directors adopted the Code of Conduct for Board Members and senior management personnel. The said code was communicated to the Directors and members of the senior management and they affirmed their compliance with the said Code. The Code adopted is posted on the Company's website [www.golkunda.com](http://www.golkunda.com).
- \* Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted Code of practices and procedures for fair disclosure of unpublished price sensitive information and Code of Conduct in order to monitor and report Insider Trading.
- \* All Directors and the designated employees have confirmed compliance with the Code.
- \* A certificate from Mr. Kantikumar Dadha, Managing Director & Mr. Ashish Dadha, CFO in terms of Regulation 17 (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with /Stock Exchanges for the financial year ended March 31, 2017 was placed before the Board of Directors of the Company in their meeting held on August 14, 2017 and is annexed to this Report.

i) **INDEPENDENT DIRECTORS:**

The Independent Directors Mr. Ashok Kumar K. Bekal, Mr. Gautam Chand Dadha & Mr. Mangilal Maloo were appointed for a period of 5 years w.e.f. 27th September, 2014 by the shareholders at the Twenty Forth Annual General Meeting of the Company.

The Independent Director Mrs. Rajani Poddar was appointed for a period of 5 years w.e.f. 12th August, 2016 by the shareholders at the Twenty Sixth Annual General Meeting of the Company held as on 21st September, 2016.

The Company has issued a formal letter of appointment containing their duties, terms and conditions of appointment. The Terms & Conditions of the Independent Directors is also disclosed on the website of the Company i.e. [www.golkunda.com](http://www.golkunda.com). The Independent Directors have confirmed about their independence and eligibility as required under Section 149(7) of the Companies Act, 2013.

> **Role of Independent Directors:**

The Independent Directors plays an important role in deliberations at the Board and Committee Meetings and bring to the Company their expertise in the field of finance, management and public policy. The Independent Directors satisfy the criteria of independence as defined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is applicable w.e.f. December 01, 2015 and the Companies Act, 2013. They perform the duties as stipulated in the Companies Act, 2013.

> **Familiarisation programme for independent directors:**

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 familiarize 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](http://www.golkunda.com).

> **Separate meetings of the independent directors:**

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on 13th February, 2017, inter alia, to discuss the following:

- \* To review the performance of non-independent directors and the Board as a whole;
- \* To review the performance of the Chairman of the Company;
- \* To assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors have expressed their satisfaction over the performance of the other directors and the Board as whole.

3. **AUDIT COMMITTEE**

a) **Composition:**

The Audit Committee of the Company was formed on 15th October, 2003 and comprises of 3 Independent Non-Executive Directors as follows:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Mangilal Maloo	Chairman	Independent Non-Executive Director
2	Mr. Gautam Chand Dadha	Member	Independent Non-Executive Director
3	Mr. Ashok Kumar K. Bekal	Member	Independent Non-Executive Director

The Committee's Composition met with requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

The Company Secretary acts as the Secretary to the Committee.



**b) Meetings of Audit Committee and Attendance during the Year:**

The Committee met 4 (Four) times during the year on the following dates viz. 26.05.2016, 12.08.2016, 11.11.2016, 13.02.2017.

Mr. Karan Sign Baid, Whole Time Director is a Permanent Invitee to the Audit Committee meetings. The Chief Financial Officer, the Internal Auditors, the Statutory Auditors are also invited to the committee meetings as and when necessary. The attendance of each Audit Committee member in the above meetings is given hereunder:-

Sr. No.	Name of Member	Audit Committee meetings (Financial Year 2016-2017)	
		Held during tenure	Attended
1.	Mr. Mangi Lal Maloo	4	4
2.	Mr. Gautam Chand Dadha	4	4
3.	Mr. Ashok Kumar K. Bekal	4	4

Sr. No.	Dates on which Audit Committee Meetings were Held	Total Strength of the Committee	No of Members Present
1	26th May, 2016	3	3
2	12th August, 2016	3	3
3	11th November, 2016	3	3
4	13th February, 2017	3	3

**c) Brief Description of Terms of Reference:**

The Company has an Audit Committee with scope of activities as set out in Part C of Schedule II with reference to the Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 177 of the Companies Act, 2013. The Committee acts as a link between the Statutory, Internal Auditors and the Board of Directors of the Company. The broad terms of reference of the Audit Committee are as under:

- > Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- > Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- > Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- > Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - o Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - o Changes, if any, in accounting policies and practices and reasons for the same.
  - o Major accounting entries involving estimates based on the exercise of judgment by management
  - o Significant adjustments made in the financial statements arising out of audit findings
  - o Compliance with listing and other legal requirements relating to financial statements
  - o Disclosure of any related party transactions.
  - o Qualifications in the draft audit report.
- > Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- > Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- > Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- > Approval or any subsequent modification of transactions of the company with related parties;
- > Scrutiny of inter-corporate loans and investments;
- > Valuation of undertakings or assets of the company, wherever it is necessary;
- > Evaluation of internal financial controls and risk management systems;
- > Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- > Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- > Discussion with internal auditors of any significant findings and follow up there on;
- > Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- > Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- > To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- > To review the functioning of the Whistle Blower mechanism;
- > Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- > Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



**d) Review of information by Audit Committee:**

The following information is reviewed by the Audit Committee on mandatory basis:

- \* Management discussion and analysis of financial condition and results of operations;
- \* Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- \* Management letters / letters of internal control weaknesses issued by the statutory auditors;
- \* Internal audit reports relating to internal control weaknesses; and
- \* The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The Board of Directors at its meeting held on 26th May, 2014 approved constitution of "Nomination and Remuneration Committee" (by renaming existing Remuneration Committee) under the Companies Act, 2013.

**a) Composition:**

The Nomination and Remuneration Committee comprises of 3 Independent Non-Executive Directors as follows:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Mangi Lal Maloo	Chairman	Independent Non-Executive Director
2	Mr. Gautam Chand Dadha	Member	Independent Non-Executive Director
3	Mr. Ashok Kumar K. Bekal	Member	Independent Non-Executive Director

**b) Meetings of Nomination and Remuneration Committee:**

During the financial year 2016-2017, the Nomination and Remuneration Committee (formerly known as Remuneration Committee) met one time on 12th August, 2016. The attendance of each Committee member in the meeting during the financial year ended March 31, 2017 is given below:

Sr. No.	Name of member	Nomination and Remuneration Committee meetings (Financial Year 2016-2017)	
		Held during tenure	Attended
1	Mr. Mangi Lal Maloo	1	1
2	Mr. Gautam Chand Dadha	1	1
3	Mr. Ashok Kumar K. Bekal	1	1

Sr. No.	Dates on which Nomination and Remuneration Committee Meetings were Held	Total Strength of the Committee	No of Members Present
1	12th August, 2016	3	3

**c) Brief Description of Terms of Reference:**

The terms of reference of the 'Nomination and Remuneration Committee' inter-alia includes the following:

- \* To review, assess and recommend the appointment and remuneration of executive directors.
- \* To review the remuneration packages payable to executive directors periodically and recommend suitable revision/ increments, whenever required to the Board of Directors of the Company.
- \* To recommend the commission payable to the non-executive director(s) in accordance with and upto the limits laid down under the Companies Act, 2013.
- \* To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
- \* To recommend to the Board the appointment and removal of the director and shall carry out evaluation of every director performance.
- \* To formulate criteria for determining qualifications, positive attributes and independence of the director.
- \* To recommend to the Board of a 'policy' relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- \* To devise a policy on Board diversity;
- \* To carry out such other functions as delegated by the Board from time to time.

**d) Nomination and Remuneration Policy:**

The Board of Directors of the Company has approved Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

**I. Appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management:**

**1. Appointment Criteria and Qualifications:**

- a) A person being appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.
- b) Independent Director:
  - i) Qualifications of Independent Director:  
An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.
  - ii) Positive attributes of Independent Directors:  
An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.



**2. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**3. Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**II. Remuneration:**

**1. Directors:**

**a) Executive Directors (Managing Director, Manager or Whole Time Director):**

- i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination and Remuneration (N&R) Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
- ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.
- iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:
  - \* the relationship of remuneration and performance benchmark;
  - \* balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - \* responsibility required to be shouldered, the industry benchmarks and the current trends;
  - \* The Company's performance vis-a-vis the annual budget achievement and individual performance.

**b) Non-Executive Director:**

- \* The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- \* A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.
- \* The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.
- \* In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- \* The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.
- \* The commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.

**2. KMP & Senior Managerial Personnel:**

The remuneration to the KMP and Senior Management Personnel will be based on following guidelines:

- \* maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- \* compensation should be reasonable and sufficient to attract retain and motivate KMP and senior management;
- \* Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance versus overall performance of the Company;
- \* Remuneration shall be also considered in form of long term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.

**III. Evaluation:**

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

**e) Board Evaluation:**

Pursuant to provisions of the Companies Act, 2013, Schedule IV and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR), 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 evaluation of Individual Directors. The self-assessment format considered performance effectiveness with regard to the Board composition, expertise, dynamics, strategic oversight, risk management and internal control, succession planning and leadership.

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

**5. REMUNERATION OF DIRECTORS:**

**a) Details of Remuneration / Compensation Paid to the Non- Executive / Independent Director during the Year Ended 31.03.2017:**

Name of Director	No. of Board Meetings Attended	Sitting Fees Paid (in Rs.)
Mr. Mangilal Maloo	4	20,000/-
Mr. Gautam Chand Dadha	4	20,000/-
Mr. Ashok Kumar K. Bekal **	4	NIL
Mrs. Rajani Poddar	4	20,000/-

\*\* Mr. Ashok Kumar K. Bekal has waived his sitting fees for attending the meeting of Board of Directors.



None of the Non-executive Directors are holding any shares in the Company.

There are no pecuniary relationship or transaction of the non-executive directors with the Company.

**b) Criteria for Making Payments to Non-Executive Directors:**

The Company pays sitting fees to Non Executive Directors of the Company for attending the Meeting of the Board of Directors @ Rs. 5,000/- (Rupees Five Thousand Only) per Board Meeting. The Criteria for making payment to Non-executive Directors is disclosed on the website of the Company i.e. www.golkunda.com.

**c) Details of remuneration paid to the Executive Directors during the year ended 31.03.2017 are as follows:**

Name	Relation with Gokunda	Salary	Stock Option	Commission	Contribution to Provident Fund and other funds	Perquisites	Total
Mr. Kanti Kumar Dadha	Chairman and Managing Director	18,01,798	—	—	21,600	2,89,180	21,12,578
Mr. Karan Singh Baid	Whole Time Director	16,46,275	—	—	21,600	24,640	16,92,515
Mr. Arvind Kumar Dadha	Whole Time Director	16,46,275	—	—	21,600	39,110	17,06,985

Notes:

- \* Mr. Kanti Kumar Dadha (DIN: 00283289) was re-appointed as Chairman and Managing Director for the period of three years at Annual General Meeting held on 27.09.2014 with effect from 1st October, 2014 and holds the office as such upto the 30th September, 2017. The Board on the recommendation of Nomination & Remuneration Committee has approved his reappointment for the further period of three years w.e.f. 01st October, 2017 subject to approval of members at ensuing Annual General Meeting.
- \* Mr. Arvind Dadha (DIN: 00317631) was re-appointed as Whole Time Director of the Company for the period of Three years at Annual General meeting held on 27.09.2014 with effect from 1st October, 2014 and holds the office as such upto the 30th September, 2017. The Board on the recommendation of Nomination & Remuneration Committee has approved his reappointment for the further period of three years w.e.f. 01st October, 2017 subject to approval of members at ensuing Annual General Meeting.
- \* Mr. Karan Singh Baid (DIN: 00283224) was re-appointed as Whole Time Director of the Company for the period of Three years at Annual General Meeting held on 27.09.2014 with effect from 10th November, 2014 and holds the office as such upto the 09th November, 2017. The Board on the recommendation of Nomination & Remuneration Committee has approved his reappointment for the further period of three years w.e.f. 10th November, 2017 subject to approval of members at ensuing Annual General Meeting.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The composition, role and powers of the Stakeholders Relationship Committee (formerly known as Shareholders' and Investors' Grievance Committee) meet the requirements of Part D of Schedule II with reference to Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 (5) of the Companies Act, 2013.

**a) Composition of Committee:**

Composition of Stakeholders' Relationship Committee is as follows.

Sr. No.	Name of the Member	Designation	Category
1	Mr. Mangi Lal Maloo	Chairman	Independent Non-Executive Director
2	Mr. Gautam Chand Dadha	Member	Independent Non-Executive Director
3	Mr. Ashok Kumar K. Bekal	Member	Independent Non-Executive Director

**b) Terms of Reference of Committee:**

The Stakeholders Relationship Committee approves and monitors transfers and transmission of shares and replacement, split and consolidation of share certificates. The Committee also monitors redressal of complaints received from the shareholders relating to transfers/transmission of shares, non-receipt of annual reports and transfer of credit of shares to demat accounts, dividend and other investor-related matters.

**c) Meetings of Stakeholders Relationship Committee and Attendance during the Year:**

The Committee met 4 (Four) times during the year on the following dates viz. 26.05.2016, 12.08.2016, 11.11.2016, 13.02.2017.

Sr. No.	Name	Stakeholders Relationship Committee meetings	
		Held during Tenure	Attended
1	Mr. Mangi Lal Maloo	4	4
2	Mr. Gautam Chand Dadha	4	4
3	Mr. Ashok Kumar K. Bekal	4	4

Sr. No.	Dates on which Stakeholders Relationship Committee Meetings were held	Total Strength of the Committee	Number of Members Present
1	26th May, 2016	3	3
2	12th August, 2016	3	3
3	11th November, 2016	3	3
4	13th February, 2017	3	3

**d) Name and Designation of Compliance Officer:**

Ms. Pooja Sanghavi has resigned as a Company Secretary and Compliance officer of the Company w.e.f. 22.05.2017.

After appointment of Ms. Kopal Jain as Company Secretary, she is acting as Compliance Officer w.e.f. 30.05.2017.

**e) Detail of Shareholders Complaints Received, Solved, Not Solved and Pending Share Transfers During the Year:**

Number of Shareholders Complaints received	5
Number resolved to the satisfaction of shareholders	5
Number of pending Complaints	0





**7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:-**

In terms of Section 135 of the Companies Act, 2013 rules made there under, the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company was constituted on September 27, 2014.

**i. Composition:**

Sr. No.	Name of the Member	Designation	Category
1	Mr. Mangi Lal Maloo	Chairman	Independent Non-Executive Director
2	Mr. Kantikumar Dadha	Member	Managing Director
3	Mr. Karan Singh Baid	Member	Whole Time Director

The Committee met twice during the year on the following dates viz. 26.05.2016 & 13.02.2017 were all the Committee members were present.

**ii. The Terms of Reference of Corporate Social Responsibility Committee (CSR):**

The terms of reference of Corporate Social Responsibility Committee (CSR) is mentioned below:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII in the Act or any amendment made there to including provisions contained in the rules framed under Companies Act, 2013 related thereto;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the Corporate Social Responsibility Policy of the Company from time to time and to make suitable amendment from time to time as and when necessitated; and
- to carry out such other activities as may be authorised by the Companies Act, 2013 and rules made there under.

**8. GENERAL BODY MEETINGS:**

**a) Location and Time Where Last Three Annual General Meetings (AGM) were Held:**

Year	Date	Time	Venue
2016	21st September, 2016	3.00 P.M.	"Suncity Residency Hotel, Eden – Hall, 16th Road, Maheshwari Nagar, MIDC, Marol, Andheri (E), Mumbai – 400 093"
2015	28th September, 2015	3.00 P.M.	"Suncity Residency Hotel, Eden – Hall, 16th Road, Maheshwari Nagar, MIDC, Marol, Andheri (E), Mumbai – 400 093"
2014	27th September, 2014	3.00 P.M.	"Suncity Residency Hotel, Eden – Hall, 16th Road, Maheshwari Nagar, MIDC, Marol, Andheri (E), Mumbai – 400 093"

**b) Details of Special Resolutions Passed during the Last 3 A.G.M./E.G.M. or any Special Resolution Passed through Postal Ballot:**

- > No special resolutions were passed at the Annual General Meeting held on 21.09.2016 and 28.09.2015.
  - > The Company has passed one Special Resolution at the Extra Ordinary General Meeting held on 24.04.2015 in respect of giving authority to Board of Directors to create charge on the assets of the Company u/s 180(1)(a) of the Companies Act, 2013.
  - > The Company has passed four Special Resolutions at the Annual General Meeting held on 27.09.2014 in respect of:
    - \* Re-appointment of Mr. Kantikumar Dadha as Managing Director for the period of three years w.e.f. 01.10.2014.
    - \* Re-appointment of Mr. Arvind Dadha as a Whole Time Director for the period of three years w.e.f. 01.10.2014.
    - \* Re-appointment of Mr. Karan Singh Baid as a Whole Time Director for the period of three years w.e.f. 10.11.2014.
    - \* Authority to Board of Directors to borrow money.
  - > The Company has not passed any resolution through postal Ballot in the previous financial year.
- c) As on the date, the Company do not proposes to pass any special resolution through Postal Ballot. The Company may have to conduct the process of postal ballot in view of the requirements of the new Companies Act, 2013.

**9. MEANS OF COMMUNICATION:**

- The Unaudited quarterly/half yearly results are announced within forty-five days from the close of the quarter. The audited annual results are announced within sixty days from the closure of financial year as per the requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in English Newspaper and a newspaper published in a regional language within forty-eight hours of the approval thereof.
- The Company's financial results and official press releases are displayed on the Company's website www.golkunda.com under the investors section.
- Management Discussion and Analysis forms part of the Annual Report, which is sent to the Shareholders of the Company.
- The quarterly results, shareholding pattern, quarterly compliances, contact information of designated employees who are responsible for assisting and handling the investors grievance and all other corporate communication to the Stock Exchanges viz, The BSE Limited are filed electronically. The Company has complied with filing submission through BSE's BSE Listing Centre. The same information is updated on the website viz. www.golkunda.com within the prescribed time limit.

**10. GENERAL SHAREHOLDER INFORMATION:**

1. Date, time and the venue of 27th AGM	28th September, 2017 at 3.00 P.M. Suncity Residency Hotel, Eden- Hall, 16th Road, Maheshwari Nagar, MIDC, Marol, Andheri (East), Mumbai - 400 093
2. Financial Calendar	April 01, 2016 to March 31, 2017
3. Date of Book Closure	22nd September, 2017 to 28th September, 2017 (both days inclusive)
4. Dividend Payment Date	On or after 18.10.2017
5. Listed on Stock Exchange	Bombay Stock Exchange
5. Annual Listing Fees	The company has paid annual listing fees to stock exchange.
6. BSE Stock code	523676



7. Stock market price data for the last financial year ended March 31, 2017 on The Stock Exchange, Mumbai is as under:						
Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	
April 2016	18.00	21.75	18.00	20.80	1785	
May 2016	21.80	21.80	17.70	19.00	16,245	
June 2016	19.95	23.10	19.15	22.25	29,929	
July 2016	23.25	24.90	21.45	23.55	29,722	
August 2016	24.55	25.75	21.15	22.75	25,485	
September 2016	22.50	28.50	19.05	27.25	19,861	
October 2016	25.90	27.95	23.05	25.00	23,718	
November 2016	24.00	25.00	17.60	18.00	8,620	
December 2016	17.10	23.20	17.10	20.50	9,623	
January 2017	21.50	21.55	18.70	19.55	14,660	
February 2017	20.50	20.70	18.00	20.00	13,984	
March 2017	20.00	20.00	16.00	17.60	9,779	

<b>8. Registrar &amp; Share Transfer Agent</b>	Sharex Dynamic (India) Private Limited (formerly known as M/s. Sharex (India) Pvt. Ltd.) Unit – 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072.			
<b>9. Share Transfer System</b>	The Company's shares are traded in the Stock Exchange compulsorily in demat mode. Shares sent for physical transfer or dematerialization requests are registered promptly within stipulated time from the date of receipt of completed and validly executed documents.			
<b>10. Distribution of shareholding as on March 31, 2017</b>				
No. of Shares Nominal Value	No. of Shareholders	% of Shareholders	Total Amount	% of Amount
1 to 5000	9008	96.16	11871670	17.05
5001 to 10000	233	2.49	1984060	2.85
10001 to 20000	59	0.63	941750	1.35
20001 to 30000	29	0.31	720270	1.03
30001 to 40000	9	0.10	321170	0.46
40001 to 50000	5	0.05	221190	0.32
50001 to 100000	10	0.11	668250	0.96
100001 and above	15	0.16	52912440	75.98
<b>TOTAL</b>	<b>9368</b>	<b>100</b>	<b>69640800</b>	<b>100.00</b>
<b>11. Shareholding pattern as on March 31, 2017</b>				
Category	No. of Shares	% of total		
Promoter's holding	5084216	73.006		
Mutual Funds and UTI	0	0		
Financial Institution / Banks	100	0.001		
Foreign Institutional Investors	0	0		
NRIs / OCBs	1843	0.026		
Companies / Bodies Corporate	77886	1.118		
Clearing Members	1811	0.026		
General Public	1798224	25.823		
<b>Total</b>	<b>6964080</b>	<b>100.00</b>		
<b>12. Dematerialization of Shares and liquidity</b>	As on 31.03.2017, 85.47% of the Company's Equity Shares representing 59,52,785 Equity Shares were held in dematerialized form with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).			
<b>13. Outstanding GDR's / ADR's / Warrants or any Convertible Instruments</b>	The Company does not have outstanding GDRS / ADRS/ Warrants or any Convertible instruments.			
<b>14. Plant Location (Development Centre)</b>	G-30, Gems & Jewellery, Complex III, SEEPZ, Andheri (E), Mumbai 400 096			
<b>15 Address for Correspondence</b> (for dematerialization/ transfer of shares, payment of dividend on shares, and any other query relating to the shares of the Company)	Sharex Dynamic (India) Private Limited (Formerly known as Sharex (India) Pvt. Ltd.) Unit – 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072.			
For any other queries	G-30, Gems & Jewellery, Complex III, SEEPZ, Andheri (E), Mumbai 400 096			



<b>16. Reconciliation of Share Capital Audit</b>	A qualified practicing Company Secretary carry out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
<b>17. Compliance Officer</b>	Ms. Pooja Sanghavi (Company Secretary) (resigned on 22.05.2017) Ms. Kopal Jain (Company Secretary) (w.e.f. 30.05.2017) G-30, Gems & Jewellery, Complex III, SEEPZ, Andheri (E), Mumbai 400 096 Tel No. 022-28290155/56 Fax 022-28290373 Email ID: admin@golkunda.com
<b>18 Investor Correspondence</b>	Any query relating to shares and request for transactions such as transfer, transmission and nomination facilities, duplicate share certificates, change of address, non-receipt of dividend/ and/or Annual Report, and also regarding dematerialization/ rematerialisation of shares may be taken up with the Registrar and Transfer Agent.  Sharex Dynamic (India) Pvt. Ltd. (Formerly known as M/s. Sharex (India) Pvt. Ltd.) Unit – 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072

**11. OTHER DISCLOSURES:**

- a) There were no materially significant related party transactions during the year having conflict with the interests of the Company:  
The Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors. The Policy provides for identification of RPTs, necessary approvals by the Audit Committee/ Board/Shareholders, reporting and disclosure requirements in compliance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
All contracts executed by the Company during the financial year with related parties were under the ordinary course of business and on arm's length basis.  
The Related Party transactions policy is posted on the Company's website [www.golkunda.com](http://www.golkunda.com).
- b) There has been no material non-compliance by the Company or penalty or strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years.
- c) In Compliance of the Companies Act, 2013 and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy also provides for adequate safeguard against victimization of Whistle Blower who avails of such mechanism and also provides for the access to the Chairman of Audit Committee. None of the Whistle Blowers have been denied access to the Audit Committee. The Whistle Blower policy is posted on the Company's website [www.golkunda.com](http://www.golkunda.com)
- d) The Company has duly complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR).
- e) In compliance with the discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR), the Company has financial statements with unmodified audit opinion, and the internal auditors are directly reporting to the Audit Committee.
- f) The Company has complied with the corporate governance requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

FOR AND ON BEHALF OF BOARD  
FOR GOLKUNDA DIAMONDS & JEWELLERY LTD.

(KANTI KUMAR DADHA)  
CHAIRMAN AND MANAGING DIRECTOR

PLACE: MUMBAI  
DATE: 14.08.2017

**Details of Directors Seeking Re-election:**

Mr. Arvind Dadha retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re – election.

Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Additional information and experience relating to the Directors who are getting appointed / re-appointed is furnished in the Annual Report.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Developments:

The Company is a part of an Industry, which largely operates through unorganized constituents. However, unlike the industry, the Company has attempted to operate through as systematic and organized manner as possible. However, since Diamonds and Jewellery is one industry, in which India holds, commendable position in the world, akin to the software industry, one can look forward to more international involvement coming up in this industry.

### Opportunities and Threats:

Following can be termed as the opportunities / strengths of the Company:

- Induction of widely experienced and specialized personnel on the Board.
- Good combination of technical as well as advisory personnel in the management.
- More and more benefits and exemptions are likely to come in the way of exports and Special Economic Zones and the Company, having commendable exports and being situated in SEEPZ - SEZ, is likely to receive the advantage of the same.
- Some of the world retail majors have decided some time back to source part of their requirements from India. This shall further the growth of the Diamond industry in India.
- The unfavorable government policies cut throat competition amongst manufacturers and exporters remains major concerns for the Gems and Jewellery Business.

### Outlook:

The Company has done reasonable in the current year and expects to achieve a really good percentage of market share in the Diamond manufacturing and Jewellery marketing fields. The outlook for the Company can therefore be termed as optimistic and expects higher growth than inflation and average growth in the industry.

Growth of the Gems and Jewellery Industry is expected to be moderate to better in the years to come depending on the policies of the Government. However Gems and Jewellery Industry is seeing robust growth in the years to come. The Growth rate of the Gems and Jewellery Industry is closely related to the growth of the other Sector and hence movements and developments in the other sectors would also indirectly affect the future of Gems and Jewellery Industry.

### Risks and Concerns:

Following can be some of the risks and concerns the Company needs to be wary of:

- The largely unorganized structure of the market can affect the systematic functioning of the Company
- Political instability, which has a tremendous impact on the capital markets.
- Likely opening up of the economy, which can be a double-edged sword.
- The Diamond market in India is heavily influenced by the US Markets.
- The major income component of the Company being exports, changes in economies or government policies of the countries to which the Company is exporting may also affect the operations of the Company.
- Increasing competition among the Indian Exporters in this industry.

### Internal Control Systems and their Adequacy:

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials, components, plant and machinery, equipment and other assets, and for the sale of goods.

The Company also has in place an Audit Committee to have a periodic over view of the internal control procedures of the Company. The Audit committee is accessible at all times to the employees of the Company for any improvement to be recommended in the procedures in place.

### Discussion on Financial Performance of the Company:

The financial performance of the Company has declined in the year under review.

The sales were Rs. 83,74,90,763/- as compared to Rs. 97,67,72,730/- in the previous year. The Profit after tax in the current year were Rs. 83,08,058/- as compared to Rs. 2,81,64,806/- in the previous year.

### Export performance and Foreign Exchange earnings:

The Company is making contribution to the foreign exchange earnings by the Country in view of the fact that the Export and Foreign exchange earnings stood at Rs. 81,95,24,785/- during the financial year under review.

### Industrial Relations and Human Resources:

The Company considers that its relationship with its employees is vital and ensures that employees feel valued and is endeavoring to create an environment and culture within which every employee can put his best efforts and maximize his contribution.

The Company ensures that all its employees remain competent through education, skills, training and experience as necessary. The Company has had cordial relations between the management and employees and an atmosphere of harmonious working to achieve the business objectives of the Company throughout the year. The Company is poised to motivate each of its employees to perform to the fullest extent possible and to appropriately reward their excellence.

### Cautionary Note:

Statements in this report and Corporate Governance Report read together with the Directors' Report and financial statement describing the Company's objectives, projections, estimates, expectations and predictions, may be "forward looking statements". Actual results may differ from those expressed or implied due to variations in prices of raw materials, seasonal demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and other incidental factors.



## MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,  
The Board of Directors,  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**  
Mumbai

We, Kantikumar Dadha, Managing Director and Ashish Dadha, Chief Financial Officer of **Golkunda Diamonds & Jewellery Limited**, to the best of our knowledge and belief certify that:

- (1) We have reviewed the financial statements and the cash flow statement of Golkunda Diamonds & Jewellery Limited for the year ended March 31, 2017 and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (3) We accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, Deficiencies in the design or operation of internal controls, if any, of which they have taken or propose to take to rectify these deficiencies.
- (4) We have indicated to the Auditors and the Audit Committee:
  - (a) There are no significant changes in internal control during the year;
  - (b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to Financial Statements; and
  - (c) There have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems.

**Kanitkumar Dadha**  
Managing Director

**Ashish Dadha**  
Chief Financial Officer

Date: 14.08.2017

To,  
The members of  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**  
Mumbai

## DECLARATION REGARDING CODE OF CONDUCT

I, Kantikumar Dadha, Chairman & Managing Director of **GOLKUNDA DIAMONDS & JEWELLERY LIMITED**, to the best of my knowledge and belief, declare that all the members of Board of Directors, Senior Management Personnel, and Designated Employees have affirmed Compliance with the Code of Conduct for the year ended 31st March 2017.

**FOR GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

Place: Mumbai  
Date: 14.08.2017

**KANTIKUMAR DADHA**  
(Chairman & Managing Director)  
DIN: 00283289

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligation and Disclosure requirement) Regulations, 2015)

**TO THE MEMBERS OF  
GOLKUNDA DIAMONDS & JEWELLERY LTD.**

We have examined the compliance of the conditions of corporate governance by **Golkunda Diamonds & Jewellery Ltd** for the year ended 31st March, 2017 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure requirement) Regulations, 2015.

The compliance of conditions of the corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted affairs of the Company.

**FOR MOTILAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
(FRNo.106584W)

**(CA M.P. MODY)**  
PARTNER  
Membership No. 042975

Mumbai, 30th May, 2017.



## INDEPENDENT AUDITORS' REPORT

TO,  
THE MEMBERS OF GOLKUNDA DIAMONDS & JEWELLERY LIMITED

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **GOLKUNDA DIAMONDS & JEWELLERY LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March, 2017, the Profit and Loss Statement, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial statements by the Directors of the Company, as aforesaid.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has no pending litigations as referred to in Note 24 of the financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For MOTILAL & ASSOCIATES**  
Chartered Accountants  
(FRNo.106584W)

**CAM.P.MODY**  
Partner  
Membership No 042975

Mumbai, 30th May, 2017

## **ANNEXURE A**

### **TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure A referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended on 31st March 2017. We report that:

#### **(1) In Respect of its fixed assets:**

- (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management at reasonable intervals. No material discrepancies between the book records and the physical inventory have been noticed.
- (c) All the title deeds of immovable properties are held in the name of the company.

#### **(2) In respect of its inventories:**

- (a) As explained to us the inventory has been physically verified by the management at reasonable intervals.
- (b) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

- (3) According to the information and explanation given to us, the company has not granted unsecured loan to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, clauses 3 (iii) (a) and 3(iii) (b) of the Order are not applicable.



- (4) In Our opinion and according to the information and explanations given to us during the course of the audit, the company has not entered in any transaction that attract the provisions of section 185 and 186 of the Companies Act, 2013.
- (5) According to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of clause (v) of the paragraph 3 of the CARO 2016 are not applicable to the Company.
- (6) In respect of statutory dues:
- (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities.
- According to the information and explanations given to us no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service-tax, excise duty, sales tax, customs duty and cess were in arrears, as at 31st March, 2017 for the period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues as at 31st March, 2017 of Income Tax, wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (7) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution and banks.
- (8) According to the information and explanations given to us the Company has not raised term loan during the year.
- (9) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- (10) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- (11) The Company is not a Nidhi Company hence the provisions of the Nidhi Company and the Nidhi Rules, 2014 is not applicable to the company.
- (12) In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (13) Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, thus requirement of section 42 of the Companies Act, 2013 is not applicable to the company.
- (14) In our opinion and according to the information and explanations given to us Company has not entered into any non-cash transactions with directors or persons connected with him. Thus the provisions of section 192 of Companies Act, 2013 are not applicable to the company;
- (15) In our opinion and according to the information and explanations given to us Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For MOTILAL & ASSOCIATES**  
Chartered Accountants  
(FRNo.106584W)

**CA M.P.MODY**  
Partner

Membership No 042975

Mumbai, 30th May, 2017





## ANNEXURE B

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GOLKUNDA DIAMONDS & JEWELLERY LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **GOLKUNDA DIAMONDS & JEWELLERY LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to

future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Motilal & Associates**  
Chartered Accountants  
(FRNo. 106584W)

**CA Mukesh P. Mody**  
Partner  
Membership No. 042975

Place: Mumbai  
Date: 30th May, 2017



**BALANCE SHEET AS AT MARCH 31, 2017**

	Note No.	End of	
		Current Reporting Year	Previous Reporting Year
		March 31,	
		2017	2016
<b>EQUITY AND LIABILITIES :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	2	69,640,800	69,640,800
Reserves and Surplus	3	178,231,098	172,856,671
		<u>247,871,898</u>	<u>242,497,471</u>
<b>Non - Current Liabilities :</b>			
Long Term Borrowings	4	1,585,134	2,106,592
Deferred Tax Liabilities [ Net ]	21	(304,287)	32,540
Long Term Provisions-Gratuity		6,562,338	5,501,455
		<u>7,843,185</u>	<u>7,640,587</u>
<b>Current Liabilities :</b>			
Short Term Borrowings	5	347,831,931	341,123,502
Trade Payables	6	59,594,163	37,030,413
Other Current Liabilities	7	4,502,524	4,094,938
Short Term Provisions	8	7,433,631	16,129,462
		<u>419,362,249</u>	<u>398,378,315</u>
<b>Total</b>		<b>675,077,333</b>	<b>648,516,373</b>
<b>ASSETS :</b>			
<b>Non - Current Assets :</b>			
Fixed Assets :			
Tangible Assets	9	26,610,485	26,559,189
Intangible Assets		6,959	33,691
		<u>26,617,444</u>	<u>26,592,880</u>
Long Term Loans and Advances	10	-	1,902,066
		<u>-</u>	<u>1,902,066</u>
<b>Current Assets :</b>			
Inventories	11	173,822,687	151,767,791
Trade Receivables	12	407,879,560	422,479,469
Cash and Cash Equivalents	13	45,381,642	34,058,233
Short Term Loans and Advances	14	21,376,000	11,715,934
		<u>648,459,889</u>	<u>620,021,427</u>
<b>Total</b>		<b>675,077,333</b>	<b>648,516,373</b>
<b>Significant Accounting Policies and Notes to the Financial Statements</b>	1 to 33		

As per our report of even date  
**FOR MOTILAL & ASSOCIATES**  
Chartered Accountants  
FRN.: 106584W

For and on behalf of Board of Directors

**ASHISH DADHA**  
Chief Financial Officer

**KANTIKUMAR DADHA**  
Chairman & Managing Director  
DIN No. 00283289

**(CA M.P. MODY)**  
Partner  
Membership No.: FCA 042975

**(CS KOPAL JAIN)**  
Company Secretary  
ACS No.: 50718

**KARANSINGH BAID**  
Whole Time Director  
DIN No. 00283224

**ARVIND DADHA**  
Whole Time Director  
DIN No. 00317631

MUMBAI , 30th May, 2017



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

	Note No.	End of	
		Current Reporting Year	Previous Reporting Year
		March 31,	
		2017	2016
<b>REVENUE :</b>			
Revenue from Operations	15	837,490,763	976,772,730
Other Income	16	1,203,169	45,150
<b>TOTAL REVENUE</b>		<b>838,693,932</b>	<b>976,817,880</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	17	743,787,405	852,665,417
Employee Benefits Expense	18	32,728,141	22,078,270
Finance Cost	19	22,991,997	30,035,434
Depreciation	9	2,881,148	2,920,793
Other Expenses	20	23,647,092	26,775,845
		<b>826,035,783</b>	<b>934,475,759</b>
<b>TOTAL EXPENSES</b>			
Profit before Tax		12,658,149	42,342,121
Less / [ Add ] : Tax Expense			
Current Tax		4,500,000	14,500,000
Deferred Tax	21	(336,827)	(322,685)
Prior year's tax adjustments		186,918	-
Profit after Tax		8,308,058	28,164,806
Profit for the year from continuing operations		8,308,058	28,164,806
Earning per Equity Share [EPS] [ in Rupees ]	22		
Basic		1.19	4.04
Diluted		1.19	4.04
<b>Significant Accounting Policies and Notes to the Financial Statements</b>	1 to 33		

As per our report of even date  
**FOR MOTILAL & ASSOCIATES**  
Chartered Accountants  
FRN.: 106584W

For and on behalf of Board of Directors

**ASHISH DADHA**  
Chief Financial Officer

**KANTIKUMAR DADHA**  
Chairman & Managing Director  
DIN No. 00283289

**(CA M.P. MODY)**  
Partner  
Membership No.: FCA 042975

**(CS KOPAL JAIN)**  
Company Secretary  
ACS No.: 50718

**KARANSINGH BAID**  
Whole Time Director  
DIN No. 00283224

**ARVIND DADHA**  
Whole Time Director  
DIN No. 00317631

MUMBAI , 30th May, 2017



**Note: 1 - Significant Accounting Policies:**

**1 Basis of Accounting :**

All financial items of Income and Expenditure having a material bearing on the financial statement are recognised on accrual basis, except income by way of dividend and Expense by way of leave encashment which is accounted on cash basis.

**2 Sales :**

Sales exclude Sales Tax, Transportation, Insurance, discount, penalty/late delivery charges and include Sales Returns and Discount.

**3 Use of Estimates :**

The preparation of Financial Statements in conformity with the Accounting Standards generally accepted in India requires, the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**4 Fixed Assets and Depreciation :**

- i) All fixed assets are valued at cost less depreciation. The cost is inclusive of incidental expenses related to acquisition and put to use.  
Pre-operative expenses including trial run expenses (net of revenue) are capitalised. Interest on borrowings and financing costs during the period of construction is added to cost of fixed assets.
- ii) Impairment loss, if any is recognised in the year in which impairment takes place.
- iii) Depreciation on Fixed Assets is provided on Straight Line Value Method at the rate and in the manner specified in Schedule II of the Companies Act, 2013.
- iv) Depreciation on additions / disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.

**5 Expenditure during the Construction Period :**

The expenditure incidental to the expansion / new projects are allocated to Fixed Assets in the year of commencement of the commercial production.

**6 Inventories :**

Raw Materials, Stores & Spare Parts and Finished Goods are valued at lower of cost and net realisable value.

**7 Revenue Recognition :**

- i) Revenue from Sale of goods is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer.
- ii) Service income is recognised as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax wherever applicable.
- iii) Dividend income is recognised when the unconditional right to receive the income is established.
- iii) Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

**8 Foreign Currency Transactions :**

Monetary assets & liabilities related to foreign currency transaction are settled during the year

**9 Retirement Benefits :**

- i) Gratuity  
Gratuity has been provided in accordance with the provisions of Payment of Gratuity Act, 1972.
- ii) Leave Liability :  
The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is not recognised.

**10 Employee Separation Costs :**

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

**11 Provision for Bad and Doubtful Debts / Advances :**

Provision, if any, is made in accounts for bad and doubtful debts / advances which in the opinion of the management are considered doubtful of recovery.

**12 Deferred Tax:**

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

**13 Provisions, Contingent Liabilities and Contingent Assets :**

Provision is recognised when the company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision / disclosure is made. Contingent assets are not recognised in the Financial Statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2017	2016
<b>Note : 2 - Share Capital :</b>		
<b>Authorised :</b> 70,00,000 Equity Shares of Rs.10/- each	70,000,000	70,000,000
<b>Issued, Subscribed and Fully Paid-up Equity Shares :</b> 69,64,080 Equity Shares of Rs.10/- each fully paid up	69,640,800	69,640,800
<b>Total</b>	<b>69,640,800</b>	<b>69,640,800</b>
i) The reconciliation of the number of Shares outstanding as at March 31, 2017 and as at March 31, 2016 is as under:		
	Nos	Nos
Number of shares at the beginning	6,964,080	6,964,080
Number of shares at the end	6,964,080	6,964,080
ii) The equity shareholders of the Company are entitled to receive final dividend as declared and approved by the Board of Directors and/ or the shareholders of the Company. The dividend so declared will be in proportion to the number of equity shares held by the shareholders.		
iii) In the event of liquidation of the Company, equity shareholders will be entitled to receive remaining assets of the company in proportion to the number of equity shares held by the shareholders.		
iv) Details of Shareholders holding more than 5% of the aggregate Equity Shares in the Company.		
Neverlose Properties & Investment Pvt. Limited, the Holding Company.		
No of Shares	3,968,752	3,966,122
% of Holding	56.99	56.95
<b>Note : 3 - Reserve and Surplus</b>		
Share Premium Account:		
Opening Balance	2,800,000	2,800,000
General Reserve:		
Opening Balance	9,916,915	7,416,915
Add : Transfer from Surplus	2,500,000	2,500,000
	12,416,915	9,916,915
Surplus in statement of profit & loss:		
Opening Balance	160,139,756	139,132,991
Add: Adjustment relating to excess Depreciation	-	371,041
Add : Profit for the year	8,308,058	28,164,806
Less : Appropriations :		
Proposed Dividend	2,437,428	4,178,448
Corporate Dividend Tax on Proposed Dividend	496,203	850,634
Transfer to General Reserve	2,500,000	2,500,000
Balance as at year end	163,014,183	160,139,756
<b>Total</b>	<b>178,231,098</b>	<b>172,856,671</b>



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2017	2016
<b>Note : 4 - Long Term Borrowings :</b>		
Secured		
A. From HDFC Bank Ltd, Mumbai.	527,421	803,396
B. From ICICI Bank Ltd, Mumbai.	1,057,713	1,303,196
<b>Total</b>	<b>1,585,134</b>	<b>2,106,592</b>
i) Securities for Term Loan:		
a Secured by hypothecation of Vehicle		
ii) Terms of repayment :		
a Monthly EMI		
iii) There are no defaults in repayment of loan and interest thereon as on March 31, 2017 for the loan under this head.		
<b>Note : 5 - Short Term borrowings :</b>		
<b>Secured Loans repayable on Demand :</b>		
Post Shipment Credit from State Bank of India, Seepz, Mumbai.	200,127,000	196,343,000
Export Packing Credit from State Bank of India, Seepz, Mumbai.	147,704,931	144,780,502
<b>Total</b>	<b>347,831,931</b>	<b>341,123,502</b>
<b>Primary Securities for Loans:</b>		
i) Secured by First Pari-Passu charge by way of hypothecation of entire current assets of the company, present and future and personal guarantees of three Directors and a Shareholder of the Company.		
<b>Collateral Securities for Loans :</b>		
ii) Secured by First Charge by way of Registered Mortgage of office premises at Chakala and Bandra, Mumbai and personal guarantees of three Directors and a Shareholder of the Company.		
iii) Secured by First Charge by way of Registered Mortgage of residential flat at Worli Division ,Mumbai.		
v) Secured by First Charge by way of lien on Cash Collateral i.e. Fixed Deposit Receipts with Bank.		
v) No repayment schedule mentioned in the sanctioned letter dated 02/01/2017. However the repayment of loan was made on realisation of exports. There are no defaults in repayment of loan and interest thereon as on March 31, 2017, to this extent, for all the loans under this head.		
<b>Note : 6 - Trade Payables :</b>		
Micro, Small and Medium Enterprises :	-	-
Others	59,594,163	37,030,413
<b>Total</b>	<b>59,594,163</b>	<b>37,030,413</b>
i) There was no amount due to small scale under taking exceeding Rs.1 Lac each outstanding for more than 30 days at the close of the year.This disclosure is based on the document / information available to the company regarding their status of the small scale undertaking.		
ii) The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2017	2016
<b>Note : 7 - Other Current Liabilities :</b>		
Unclaimed Dividends 2010-11	306,325	308,125
Unclaimed Dividends 2013-14	333,658	335,808
Unclaimed Dividends 2014-15	350,083	352,833
Unclaimed Dividends 2015-16	426,757	-
Other Payables/Provision:		
Other Payables	2,878,493	2,859,489
Payable to Statutory Authorities	207,208	238,683
<b>Total</b>	<b>4,502,524</b>	<b>4,094,938</b>
<b>Note : 8 - Short Term Provisions :</b>		
Income Tax Payable (net of excess paid)	4,500,000	11,100,380
Proposed Dividend	2,437,428	4,178,448
Corporate Dividend Tax on Proposed Dividend	496,203	850,634
<b>Total</b>	<b>7,433,631</b>	<b>16,129,462</b>

**Note : 9 - Fixed Assets**

**Nature of Fixed Assets**

	Gross Block				Depreciation				Net Block	
	As at 01/04/2016	Additions During the year	Sales and / or adj. during the year	As at 31/03/2017	Up to 01/04/2016	For the year	On Sales and / or adj. during the year	Up to 31/03/2017	As at 31/03/2017	As at 01/04/2016
<b>Tangible Assets :</b>										
Buildings	22,413,116	1,434,381	-	23,847,497	7,512,788	765,464	-	8,278,252	15,569,245	14,900,328
Plant & Machinery	7,966,659	143,000	-	8,109,659	3,446,734	683,933	-	4,130,667	3,978,992	4,519,925
Furniture and Fixtures	2,122,398	501,250	-	2,623,648	506,775	292,731	-	799,506	1,824,142	1,615,623
Factory/Office Equipments	1,114,698	84,170	-	1,198,868	669,730	157,662	-	827,392	371,476	444,968
Vehicles	4,747,923	-	-	4,747,923	993,910	611,444	-	1,605,354	3,142,569	3,754,013
Vault	131,272	-	-	131,272	44,928	15,388	-	60,316	70,956	86,344
Air Conditioners	909,309	26,094	-	935,403	118,675	101,685	-	220,360	715,043	790,634
Electrical Installations	474,396	479,377	-	953,773	201,310	80,237	-	281,547	672,226	273,086
Computers	350,004	237,439	-	587,443	175,735	145,872	-	321,607	265,836	174,269
Capital WIP	-	1,997,794	1,997,794	-	-	-	-	-	-	-
<b>Sub-Total (A)</b>	<b>40,229,775</b>	<b>4,903,505</b>	<b>1,997,794</b>	<b>43,135,486</b>	<b>13,670,585</b>	<b>2,854,416</b>	<b>-</b>	<b>16,525,001</b>	<b>26,610,485</b>	<b>26,559,190</b>
<b>Intangible Assets :</b>										
Computer Software	85,750	-	-	85,750	52,059	26,732	-	78,791	6,959	33,691
<b>Sub-Total (B)</b>	<b>85,750</b>	<b>-</b>	<b>-</b>	<b>85,750</b>	<b>52,059</b>	<b>26,732</b>	<b>-</b>	<b>78,791</b>	<b>6,959</b>	<b>33,691</b>
<b>Total (A+B)</b>	<b>40,315,525</b>	<b>4,903,505</b>	<b>1,997,794</b>	<b>43,221,236</b>	<b>13,722,644</b>	<b>2,881,148</b>	<b>-</b>	<b>16,603,792</b>	<b>26,617,444</b>	<b>26,592,881</b>
2015-2016	59,972,054	3,428,803	23,085,332	40,315,525	33,317,771	2,920,793	22,515,920	13,722,644	26,592,881	26,654,283



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2017	2016
<b>Note : 10- Long Term Loans and Advances :</b> [Unsecured, Considered Good] Advances recoverable in cash or in kind or for value to be received : Income Tax	-	1,902,066
<b>Total</b>	-	1,902,066
<b>Note : 11 - Inventories :</b> Classification of Inventories : Raw Materials Stores and Spares	173,029,882 792,805	151,013,509 754,282
<b>Total</b>	173,822,687	151,767,791
The Inventories are valued at lower of cost and net realisable value.		
<b>Note : 12 - Trade Receivables :</b> Unsecured, Considered good Over Six Months from the date they were due for payment Others	44,456,210 363,423,350	73,628,375 348,851,094
<b>Total</b>	407,879,560	422,479,469
<b>Note : 13 - Cash and Cash Equivalents :</b> Balances with Banks Cash on Hand FDR/TDRS with Bank	10,697,295 108,153 34,576,194	5,902,778 179,012 27,976,443
<b>Total</b>	45,381,642	34,058,233
<b>Earmarked balances with banks:</b>		
i) Balances with Banks in unclaimed dividend account	1,416,723	996,666
ii) Company keeps Fixed deposit with the Nationalised/Private Banks, these deposits can be withdrawn by the company as per its own discretion / requirement of funds. Lien marked on FDRS /TDRS as Cash Collateral towards secured loans from SBI, Seepz and therefore Originals of the FDRS/TDRS are with Bank.	34,576,194	27,976,443
iii) Company maintains current accounts mainly with Nationalised /Private Banks.	9,280,572	4,906,112
<b>Note : 14 - Short Term Loans and Advances :</b> [Unsecured, Considered Good] Security Deposit Advances recoverable in cash or in kind or for value to be received : Income Tax Prepaid expenses Loans to employees Vat refundable Service Tax receivable	503,138 1,228,421 6,057,155 5,134,824 - 7,905,712 546,750	499,318 820,349 - 1,450,631 10,766 8,623,924 310,946
<b>Total</b>	21,376,000	11,715,934





	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2017	2016
<b>Note : 15 - Revenue from Operations :</b>		
Sale of Products	820,580,024	945,219,652
Foreign Exchange Rate Difference	16,910,739	31,553,078
<b>Total</b>	<b>837,490,763</b>	<b>976,772,730</b>
Details of sale of products Operations of the Company are as under :		
a Finished goods	820,580,024	945,219,652
<b>Note : 16 - Other Income :</b>		
Other Operating Revenue		
Scrap Sale	51,000	45,150
Sundry balance written off/(back)	1,152,169	-
<b>Total</b>	<b>1,203,169</b>	<b>45,150</b>
<b>Note : 17 - Cost of Materials Consumed :</b>		
Raw Materials :		
Stock at commencement	151,013,509	155,268,758
Add : Purchases	765,803,778	848,410,168
	916,817,287	1,003,678,926
Less : Stock at close	173,029,882	151,013,509
<b>Total</b>	<b>743,787,405</b>	<b>852,665,417</b>
Details of Purchase of Raw Material are as under :		
a Gold	474,266,162	571,188,590
b Diamonds	290,086,669	276,327,291
c Others	1,450,947	894,287
Value of Consumption of Raw Material		
a Indegenous	562,999,410	553,886,459
b Imported	180,787,995	298,778,958
<b>Note : 18 - Employee Benefit Expense :</b>		
Salaries, Wages and Bonus	22,306,774	19,215,697
Company's Contribution to Provident & Other funds	605,921	525,067
Gratuity	1,280,657	846,020
Staff Welfare Expenses	1,215,594	920,377
Labour Contract Charges	7,319,195	571,109
<b>Total</b>	<b>32,728,141</b>	<b>22,078,270</b>
<b>Note : 19 - Finance Cost :</b>		
Interest on Cash Credit Loan (Net)	18,168,843	25,287,508
Bank Commission & Charges	4,823,154	4,747,926
<b>Total</b>	<b>22,991,997</b>	<b>30,035,434</b>



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2017	2016
<b>Note : 20 - Other Expenses :</b>		
Consumption of Stores and spares parts	3,506,390	3,080,330
Power & Fuel	2,563,408	2,664,923
Water Charges	614,002	1,101,191
Rent	1,957,417	2,012,165
Repairs and Maintenance:		
Factory Buildings	94,002	66,385
Plant and Machinery	281,928	88,088
Computer	291,232	284,221
Others	560,441	576,326
Insurance & ECGC Premium	2,821,872	4,082,036
Audit Fees	215,000	105,000
Rates and Taxes	127,592	89,380
Travelling & Conveyance Expenses	1,393,965	1,159,932
Legal and Professional Fees	2,004,231	3,754,405
Printing & Stationery	338,747	393,269
Telephone & Postage	474,284	613,383
Marketing, Selling & Distribution Expenses :		
Advertisement & Sales promotion expenses	3,056,376	3,226,987
Freight and forwarding	518,534	547,160
Loss on sale of Assets	-	528,329
Miscellaneous	1,801,672	1,402,335
Corporate Social Responsibility	1,026,000	1,000,000
<b>Total</b>	<b>23,647,092</b>	<b>26,775,845</b>

**Rent Expenses :**

The Company has taken residential / office premise under operating lease or leave and license agreement. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlord/owner. The lease payments are recognised in the above note under " Rent ".

**Note : 21 - Deferred Tax :**

A The Net Deferred Tax Liability of Rs. 3,36,827/- [ Previous Year : 3,22,685/-]for the year has been credited in the Profit and Loss Account.

B Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under :

Current Year	As at 31-03-16	INR - Charge for the year to Profit & Loss Account	As at 31-03-17
Deferred Tax Liabilities :			
Depreciation	1,551,488	(32,621)	1,518,867
<b>Total</b>	<b>1,551,488</b>	<b>(32,621)</b>	<b>1,518,867</b>
Deferred Tax Assets :			
Gratuity	1,518,948	304,206	1,823,154
<b>Total</b>	<b>1,518,948</b>	<b>304,206</b>	<b>1,823,154</b>
Net Deferred Tax Liability	<b>32,540</b>	<b>(336,827)</b>	<b>(304,287)</b>



Previous Year	As at 31-03-15	Profit & Loss Account	As at 31-03-16
<b>Deferred Tax Liabilities :</b>			
Depreciation	1,907,415	(355,927)	1,551,488
	1,907,415	(355,927)	1,551,488
<b>Deferred Tax Assets :</b>			
Gratuity	1,552,190	(33,242)	1,518,948
	1,552,190	(33,242)	1,518,948
Net Deferred Tax Liability	<b>355,225</b>	<b>(322,685)</b>	<b>32,540</b>

**Note : 22 - Calculation of Earnings per Equity Share [ EPS ] :**

The numerators and denominators used to calculate the basic and diluted EPS are as follows :

		Reporting year ended March,31		
		2017	2016	
A	Profit after tax attributable to Shareholders	INR	8,308,058	28,164,806
B	Basic and weighted average number of Equity shares outstanding during the year	Nos.	6,964,080	6,964,080
C	Nominal value of equity share	INR	10	10
D	Basic EPS	INR	1.19	4.04
E	Diluted EPS	INR	1.19	4.04

**Note : 23 - Related Party Transactions :**

**A Name of the Related Party and Nature of the Related Party Relationship :**

**a) Holding Company**

Neverloose Properties & Investment Pvt. Ltd.

**b) Key Management Personnel**

	Name	Designation	Transaction	2017	2016
i	Shri. Kantikumar Dadha	Chairman & Managing Director	Remuneration & Perquisites	2,090,978	1,748,509
ii	Shri. Karansingh Baid	Whole Time Executive Director	Remuneration & Perquisites	1,670,915	1,402,262
iii	Shri. Arvind Dadha	Whole Time Executive Director	Remuneration & Perquisites	1,685,385	1,380,544

**B The following transactions were carried out with the related parties in the ordinary course of business :**

**a) Details relating to parties referred to in items 26 - A (b)**

			2017	2016
i	Mrs. Kusum Dadha	Rent	813,000	673,800
ii	Mr. Ashish Dadha Chief Financial Officer	Salary	1,439,742	1,192,524

**Note : 24 - Contingent Liabilities and commitment to the extent not provided for :**

	2017	2016
i) Contingent Liabilities :		
a In respect of guarantees given by Banks and / or counter guarantees given by the Company	Uncertainable	Uncertainable
b Other money for which the company is contingent liable : The Income Tax Assessments of the Company have been completed up to Assessment Year 2014-15. The assessed tax liability exceeds the provision made as on 31st March, 2017.	-	496,220

**Note : 25 - Value of Imports calculated on CIF basis :**

	2017	2016
Raw Materials	107,625,818	236,510,780
Studded Jewellery	55,685,376	42,109,018
<b>Total</b>	<b>163,311,194</b>	<b>278,619,798</b>



<b>Note : 26 - Earning in Foreign Currency :</b>		
Export at F.O.B. Basis	819,524,785	945,219,655

<b>Note :27 - : Consumption of Store &amp; Consumables</b>				
<b>Reporting year ended March,31</b>				
		<b>2017</b>		<b>2016</b>
	%	Amounts	%	Amounts
a	99.53	3,429,052	99.80	3,074,133
b	0.47	16,301	0.20	6,197
	<b>100.00</b>	<b>3,445,353</b>	<b>100.00</b>	<b>3,080,330</b>

<b>Note : 28 - Expenditure in Foreign Currency :</b>		
Travelling Expenses	204,173	405,740

**Note : 29 - Distribution of Proposed Dividend :**  
The Board of Directors, in its meeting held on 30th May,2017 recommended the final dividend of Rs.0.35 per equity share. If the same is approved by the share holders in the annual general meeting, there will be an appropriation of Rs. 29,33,631/- from surplus out of which Rs. 24,37,428/- as proposed dividend and Rs. 4,96,203/- as net corporate dividend tax.

**Note : 30 - Corporate Social Responsibility (CSR):**  
The Company has spent the required amount in terms of provisions of section 135 of the companies,Act 2013 on Corporate Social Responsibility. During the year the company has incurred an amount towards the above mentioned activities as under:  
a. Gross amount required to be spent by the company during the year Rs. 10,25,044/- (previous year Rs. 889076/-)  
b. Amount spent during the year by the company Rs.10,26,000/- (previous year Rs. 10,00,000/-).  
Indirectly Expended through donation to Charitable Trust Rs.10,26,000/-.

**Note : 31 -** Balances in respect of Unsecured Loans, Loans & Advances, Sundry Debtors & Sundry Creditors are subject to confirmation by respective parties.

**Note : 32** As per information and explanation given to us the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November,2016 to 30th December,2016 are as follows:

	SBNs	Other denomination notes	Total
Closing Cash on Hand as on 08.11.2016	60,000	15,089	75,089
Add: Permitted receipts	NIL	NIL	NIL
Less: Permitted payments	60,000	15,089	75,089
Less: Amount deposited in Banks	NIL	NIL	NIL
Closing Cash on Hand as on 30.12.2016	NIL	NIL	NIL

The denomination of notes in which payments made towards the expenses were not verifiable. Amount withdrawn from Bank during the above period not included in the above details.

**Note : 33** Previous year's figures have been regrouped / rearranged wherever necessary to confirm to the current year grouping.

**'Significant Accounting Policies and Notes to the Financial Statements 1 to 33'**

As per our report of even date  
**FOR MOTILAL & ASSOCIATES**  
Chartered Accountants  
FRN.: 106584W

For and on behalf of Board of Directors

**ASHISH DADHA**  
Chief Financial Officer

**KANTIKUMAR DADHA**  
Chairman & Managing Director  
DIN No. 00283289

**(CAM.P. MODY)**  
Partner  
Membership No.: FCA 042975  
MUMBAI , 30th May, 2017

**(CS KOPAL JAIN)**  
Company Secretary  
ACS No.: 50718

**KARANSINGH BAID**  
Whole Time Director  
DIN No. 00283224

**ARVIND DADHA**  
Whole Time Director  
DIN No. 00317631



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

		2016-17	2015-16
	Rs.	Rs.	Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net Profit Before Tax &amp; Extra-ordinary Items</b>		<b>12,658,149</b>	<b>42,342,121</b>
Adjustments for -			
Depreciation	2,881,148	2,920,793	
Interest Charged	18,168,843	25,287,508	
Loss on Sale of Fixed Assets	-	528,329	
Foreign Exchange Rate Difference	(16,910,739)	(31,553,078)	
		<b>4,139,252</b>	<b>(2,816,448)</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>16,797,402</b>	<b>39,525,673</b>
Adjustments for :			
Trade & Other Receivable	4,939,843	(45,925,191)	
Inventories	(22,054,896)	4,445,258	
Liabilities	24,032,219	31,283,653	
		<b>6,917,166</b>	<b>(10,196,280)</b>
Cash Generated from Operations		23,714,568	29,329,393
Interest Paid		(18,168,843)	(25,287,508)
Direct Tax Paid		(9,385,233)	(13,373,423)
Cash Flow Before Extra-Ordinary Items		<b>(3,839,508)</b>	<b>(9,331,538)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>A</b>	<b>(3,839,508)</b>	<b>(9,331,538)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Sale of Fixed Assets	-	412,124	
Purchases of Fixed Assets	(2,905,711)	(3,428,803)	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>B</b>	<b>(2,905,711)</b>	<b>(3,016,679)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings	6,186,971	(4,222,851)	
Dividend paid	(4,178,448)	(3,131,884)	
Tax on dividend paid	(850,634)	(708,861)	
<b>NET CASH USED IN FINANCE ACTIVITIES</b>	<b>C</b>	<b>1,157,889</b>	<b>(8,063,596)</b>
<b>C FOREIGN EXCHANGE RATE DIFFERENCE</b>	<b>D</b>	<b>16,910,739</b>	<b>31,553,078</b>
<b>Net Decrease in Cash and Cash Equivalents (A+B+C+D)</b>		<b>11,323,409</b>	<b>11,141,265</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>		<b>34,058,233</b>	<b>22,916,968</b>
<b>D Closing Balance of Cash &amp; Cash Equivalents</b>		<b>45,381,642</b>	<b>34,058,233</b>

As per our report of even date  
**FOR MOTILAL & ASSOCIATES**  
Chartered Accountants  
FRN.: 106584W

For and on behalf of Board of Directors

**ASHISH DADHA**  
Chief Financial Officer

**KANTIKUMAR DADHA**  
Chairman & Managing Director  
DIN No. 00283289

**(CA M.P. MODY)**  
Partner  
Membership No.: FCA 042975

**(CS KOPAL JAIN)**  
Company Secretary  
ACS No.: 50718

**KARANSINGH BAID**  
Whole Time Director  
DIN No. 00283224

**ARVIND DADHA**  
Whole Time Director  
DIN No. 00317631

MUMBAI , 30th May, 2017

## Notes

### Route MAP to the Venue of AGM

Address: Suncity Residency Hotel, Eden- Hall, 16th Road, Maheshwari Nagar, MIDC, Marol, Andheri (East), Mumbai - 400 093

#### Map Legends

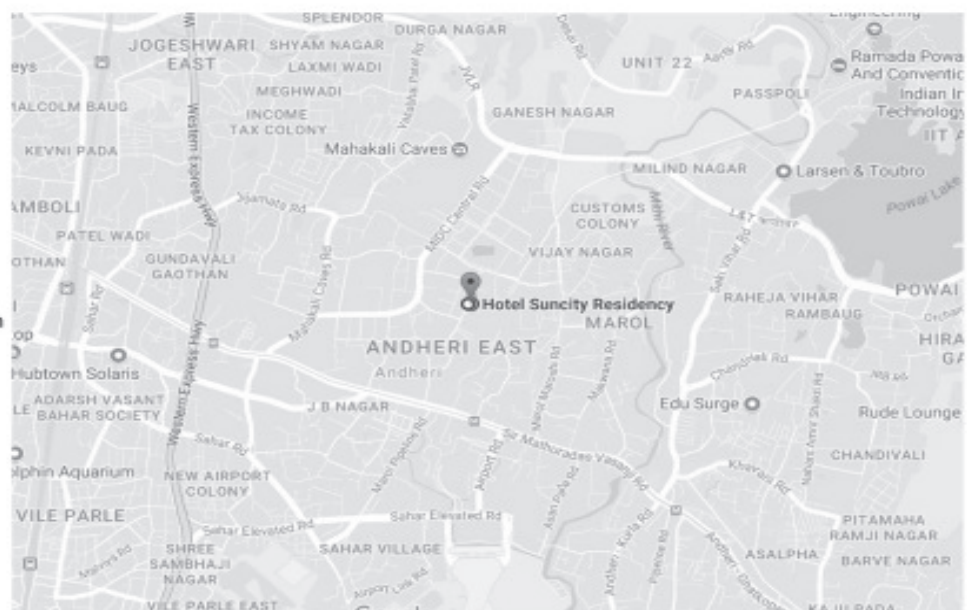


Suncity Residency Hotel



Distance from Station  
- Andheri Station-3.8 km  
- Vile Parle Station-5.1 km  
- Jogeshwari Station-5.0 km

Distance from Metro Station  
-Western Express Highway-2.5 Km  
-J B Nagar, Chakala-1.5Km



## GOLKUNDA DIAMONDS & JEWELLERY LIMITED

Registered office: G/30, Gems & Jewellery Complex III, Seepz, Andheri (East), Mumbai - 400 096  
CIN: L36912MH1990PLC058729

### Form No. MGT-11

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the member(s) :	
Registered Address :	
E mail ID :	
Folio No./Client ID :	
DP ID :	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....  
Address: .....  
.....  
E-mail Id: .....  
Signature: ....., or failing him
2. Name: .....  
Address: .....  
.....  
E-mail Id: .....  
Signature: ....., or failing him
3. Name: .....  
Address: .....  
.....  
E-mail Id: .....  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Thursday, 28th September, 2017 at 3.00 p.m. at "SUNCITY RESIDENCY HOTEL, Eden – Hall, 16th Road, Masheshwari Nagar, MIDC, Marol, Andheri (E) Mumbai – 400 093" and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1	Adoption of audited Financial Statements of the Company for the year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2	Declaration of Dividend on Equity Shares for the financial year ended 31.03.2017.
3	Appointment of Mr. Arvind Dadha (DIN: 00317631), who retires by rotation and being eligible, offers himself for re-appointment.
4	Ratification of Appointment of M/s. Motilal & Associates, Chartered Accountants as Statutory Auditors of the Company.
5	Re-appointment of Mr. Kantikumar Dadha as Managing Director for the further period of three years w.e.f. 01.10.2017.
6.	Re-appointment of Mr. Karan Singh Baid as whole time director for the further period of three years w.e.f 10.11.2017.
7.	Re-appointment of Mr. Arvind Dadha as whole time director for the further period of three years w.e.f. 01.10.2017.

Signed this..... day of..... 2017

Affix Revenue Stamp
---------------------------

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

*If Undelivered, Please return to:*

REGISTERED OFFICE:

**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

G/30, Gems & Jewellery Complex III,

Seepz, Andheri (East),

Mumbai - 400 096

CIN: L36912MH1990PLC058729