



GOLKUNDA DIAMONDS & JEWELLERY LTD.



20th Annual Report 2009-2010



GOLKUNDA DIAMONDS & JEWELLERY LIMITED

REGISTERED OFFICE

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

BOARD OF DIRECTORS

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

BANKERS

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

AUDITORS

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

WORKS

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

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

DEMATERIALIZATION OF SECURITIES

ISIN-INE798D1015

WEBSITE

www.golkunda.com



NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

REGISTERED OFFICE:

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

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

Date: 29.05.2010

KANTI KUMAR DADHA
(Chairman & Managing Director)



NOTES:

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

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

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

REGISTERED OFFICE:

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

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

Date: 29.05.2010

KANTI KUMAR DADHA
(Chairman & Managing Director)



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

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

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

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

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

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

REGISTERED OFFICE:

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

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

Date: 29.05.2010

KANTI KUMAR DADHA
(Chairman & Managing Director)



DIRECTORS' REPORT

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

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

FINANCIAL RESULTS:

(Amount in Rs.'000)

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

OPERATIONS:

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

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

DIVIDEND:

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



DIRECTORS:

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

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

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

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

FIXED DEPOSIT:

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

AUDITORS:

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



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

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

PARTICULARS OF EMPLOYEES:

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

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

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

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

CORPORATE GOVERNANCE:

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

ACKNOWLEDGEMENT:

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

REGISTERED OFFICE:

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

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

Date: 29.05.2010

KANTI KUMAR DADHA
(Chairman & Managing Director)



INVESTORS SERVICES:

1) Dematerialization of Securities.

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

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

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

DO's

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

DONT's

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



If there is a delay in submitting the DRF to your DP, the physical certificates will be dispatched by Company.

2) Nomination facility.

The Companies (Amendment) Act, 1999 has introduced through section 109A, the facility of nomination to share / debenture / deposit holders. This facility is mainly useful for all holders holding the shares/ debentures/ deposits in single name. In case where the securities /deposits are held in joint names, the nomination will be effective only in the event of the death of all the holders.

Investors holding shares in physical form may send enclosed nomination form to the Company at Registered office of the Company. However, if the shares are held in dematerialised form, the nomination has to be conveyed to your depository participants directly, as per the format prescribed by them.



GOLKUNDA DIAMONDS & JEWELLERY LIMITED

ANNUAL REPORT 2009-2010

CORPORATE GOVERNANCE REPORT

[Pursuant to Clause 49 of the Listing Agreement]

The Corporate Governance Report pursuant to the Clause 49 of the Listing Agreement with Stock Exchanges as applicable for the financial year ended 31st March, 2010 are set out below for the information of shareholders and investors of the Company

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.

BOARD OF DIRECTORS

a) Composition (as on 29.05.2010)

The Company's policy is to maintain 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 3 Non-Executive Independent Directors.
- 2) All Directors other than Mr. Kanti Kumar Dadha, Mr. Karan Singh Baid and Mr. Arvind Kumar Dadha are Independent Non-Executive Directors.

Mr. Mahesh Kumar Dadha has resigned as Independent Non-Executive Director w.e.f. 03.05.2010. Mr. Mangi Lal Maloo has joined the Board of Directors as Independent Non-Executive Additional Director w.e.f. 30.04.2010.

b) Number of Board Meetings held, Dates on which held

During the financial year 2009-10, Five (5) Board Meetings were held on 25.05.2009, 30.06.2009, 31.07.2009, 30.10.2009 and 30.01.2010.

c) **Attendance of Each Director at the Board Meeting and Last Annual General Meeting, Number of other Boards or Board Committees in which he/she is a Member or Chairperson.**



Name of Director	Category	No. of other Directorships held (Other than Golkunda)	No. of other Committee Chairmanships/ memberships held (Other than Golkunda)	No. of Board Meetings Attended	Attendance at Last AGM held on 29.09.2009
Mr. Kanti Kumar Dadha	Chairman & Managing Director Promoter	1	Nil	5	Yes
Mr. Karan Singh Baid	Whole Time Executive Director Promoter	1	Nil	5	Yes
Mr. Arvind Kumar Dadha	Whole Time Executive Director Promoter	Nil	Nil	5	Yes
Mr. B. K. Ashok	Independent Professional Non-Executive Director	Nil	Nil	2	Yes
Mr. Mahesh Kumar Dadha**	Independent Non-Executive Director	Nil	Nil	4	Yes
Mr. Gautam Chand Dadha	Independent Non-Executive Director	Nil	Nil	2	No

** Resigned w.e.f. 03.05.2010.

BOARD COMMITTEES

AUDIT COMMITTEE

COMPOSITION:

The Audit Committee of the Company was formed on 15th October, 2003 and comprised of 2 Independent Non-Executive Directors and 1 Professional Independent Non-Executive Director as follows:

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

MEETINGS OF AUDIT COMMITTEE AND ATTENDANCE DURING THE YEAR

The Committee met 5 (five) times during the year on the following dates viz. 25.05.2009, 30.06.2009, 31.07.2009, 30.10.2009 and 30.01.2010.

Name of Director	Category	No. of Meeting attended
Mr. Mahesh Kumar Dadha	Independent Director	5
Mr. Gautam Chand Dadha	Independent Director	5
Mr. B. K. Ashok	Professional Independent Director	4

The Audit Committee of the Company was re-constituted as Mr. Mahesh Kumar Dadha, Director and member of Audit Committee has resigned with effect from 03.05.2010.

The Board has inducted Mr. Mangi Lal Maloo as an Additional Independent Non-Executive Director and member of Audit Committee.



The Re-constituted Audit Committee comprises 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. B. K. Ashok	Member	Professional Independent Non-Executive Director

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Company has an Audit Committee with scope of activities as set out in Clause 49 (II) of the Listing Agreement with the Stock Exchanges read with section 292A of the Companies Act, 1956. 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;
- To hold periodic discussion with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors / Internal Auditors;
- To review compliance with internal control systems;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- Discussing and reviewing the company's financial and risk management policies;
- Recommending the appointment of statutory auditors and fixation of their remuneration.

REMUNERATION COMMITTEE

COMPOSITION

The Remuneration Committee was constituted on 15th October, 2003 and comprised of 2 Independent Non-Executive Directors and 1 Professional Independent Non-Executive Director as follows:

Sr.No.	Name of the Member	Designation	Category
1	Mr. Mahesh Kumar Dadha	Chairman	Independent Director
2	Mr. Gautam Chand Dadha	Member	Independent Director
3	Mr. B. K. Ashok	Member	Professional Independent Director

**MEETINGS OF REMUNERATION COMMITTEE AND ATTENDANCE DURING THE YEAR**

The Committee met once during the year on 30.06.2009. All the members of the Committee had attended the meeting of Remuneration Committee.

The Remuneration Committee of the Company was re-constituted as Mr. Mahesh Kumar Dadha, Director and member of Remuneration Committee has resigned with effect from 03.05.2010.

The Board has inducted Mr. Mangi Lal Maloo as an Additional Independent Non-Executive Director and member of Remuneration Committee.

The Re-constituted Remuneration Committee comprises 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. B. K. Ashok	Member	Professional Independent Non-Executive Director

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Remuneration Committee while approving remuneration of Managing Director / Whole Time Directors takes into account the financial position of the Company, qualification, experience, performance and past remuneration of the concerned managerial person. The Broad terms of reference of the Remuneration Committee are as follows:

1. Fixation of Suitable Remuneration Package of all the Executive Directors and Non Executive Directors i.e. Salary, Perquisites, Bonuses, Pensions, etc.
2. Determination of the fixed component and performance linked incentives along with the Performance Criteria to Directors of the Company.
3. Service Contracts, Notice Period, and Severance fees of Directors.

REMUNERATION POLICY AND DETAILS OF REMUNERATION TO ALL DIRECTORS, AS PER FORMAT IN MAIN REPORT

Details of remuneration paid to the Executive Directors during the year ended 31.03.2010 are as follows:

Name	Relation with Golkunda	Inter-se Relation	Salary	Stock Option	Comm-ission	Contribution to Provident Fund and other funds	Perq-uisites	Total
Mr. Kanti Kumar Dadha	Chairman and Managing Director	Cousin Brother of Mr. Karan Singh Baid	540000	0	0	57600	81000	678600



Name	Relation with Golkunda	Inter-se Relation	Salary	Stock Option	Comm-ission	Contribution to Provident Fund and other funds	Perq-uisites	Total
Mr. Karan Singh Baid	Whole Time Director	Cousin Brother of Mr. Kanti Kumar Dadha	517500	0	0	36000	0	553500
Mr. Arvind Kumar Dadha	Whole Time Director	Son of Mr. Kanti Kumar Dadha & Nephew of Mr. Karan Singh Baid	517500	0	0	36000	0	553500

Notes:

- Mr. Kanti Kumar Dadha was re-appointed as Managing Director with effect from 1st October, 2009 upto 30th September, 2014.
- Mr. Arvind Kanti Kumar Dadha was re-appointed as Whole Time Director with effect from 1st October, 2009 upto 30th September, 2014.

DETAILS OF REMUNERATION / COMPENSATION PAID TO THE NON- EXECUTIVE / INDEPENDENT DIRECTOR DURING THE YEAR ENDED 31.03.2010:

Name of Director	No. of Board Meetings Attended	Amount paid (in Rs.)
Mr. Mahesh Kumar Dadha	4	20000
Mr. Gautam Chand Dadha	2	10000
Mr. B. K. Ashok**	2	0

The Non-Executive Directors are paid sitting fees of Rs. 5,000/- per meeting for attending Board Meeting.

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

DISCLOSURE OF SHAREHOLDING BY NON EXECUTIVE DIRECTORS

Sr. No	Name of Director	No. of Shares Held
1	Mr. B. K. Ashok	NIL
2	Mr. Mahesh Kumar Dadha	200
3	Mr. Gautam Chand Dadha	NIL

DETAILS OF DIRECTORS SEEKING RE ELECTION

Mr. B. K. Ashok and Mr. Karan Singh Baid retires by rotation at the ensuing Annual General Meeting and being eligible offer them selves for re election.

Mr. Mangi Lal Maloo was appointed as an Additional Director and holds office upto the date of Annual General meeting. Considering the future benefit to the Company from his experience and expertise, the Board of Directors recommends his appointment as Independent Non-Executive Director at Annual General Meeting.



The Additional information and experience relating to these Directors as required under Clause 49 VI (A) of the Listing Agreement with the Stock Exchange is furnished below:

Name of the Director	Mr. B. K. Ashok	Mr. Karan Singh Baid	Mr. Mangi Lal Maloo
Date of Birth	01.11.1956	29.08.1948	10.10.1946
Date of Appointment	10.04.2003	30.10.1990	30.04.2010
Qualification	B.com	D.E.E	B.Com
Expertise in specific Functional areas	Labour Law Matters	Administration & Production	Accounts & Finance
Name(s) of other Public companies in which Directorship held	NIL	NIL	NIL
Name(s) of Companies in which Committee Membership(s) / Chairmanship(s) held (as per Clause 49 of the Listing Agreement with the Stocks Exchanges)	NIL	NIL	NIL

SHAREHOLDER GRIEVANCE & SHARE TRANSFER COMMITTEE

COMPOSITION AND ATTENDANCE OF MEMBERS

18 meetings of the Shareholder's Grievance & Share Transfer Committee were held during the year 2009-2010. The attendance of members was as follows:

Name of Director	Designation on the Committee	Designation on the Board	No. of Meeting attended
Mr. Mahesh Kumar Dadha	Chairman	Independent Director	18
Mr. Gautam Chand Dadha	Member	Independent Director	18
Mr. B. K. Ashok	Member	Professional Independent Director	12

The Shareholder's Grievance & Share Transfer Committee of the Company was re-constituted as Mr. Mahesh Kumar Dadha, Director and member of Shareholder's Grievance & Share Transfer Committee has resigned with effect from 03.05.2010.

The Board has inducted Mr. Mangi Lal Maloo as an Additional Independent Non-Executive Director and member of Shareholder's Grievance & Share Transfer Committee.

The Re-constituted Shareholder's Grievance & Share Transfer Committee comprises 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. B. K. Ashok	Member	Professional Independent Non-Executive Director

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Company has constituted Share Transfer Committee, which was re-constituted as Shareholders Grievance & Share Transfer Committee, which specifically looks into the approval of share transfer requests received by the Company, approval of demat request received by the Company, redressing of shareholders and investors complaints, non-receipt of Balance Sheet, etc.

NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mr. Karan Singh Baid, Director of the Company acts as Compliance Officer of the Company.

DETAIL OF SHAREHOLDERS COMPLAINTS RECEIVED, SOLVED, NOT SOLVED AND PENDING SHARE TRANSFERS DURING THE YEAR

Number of Shareholders' Complaints received	6
Number resolved to the satisfaction of shareholders	6
Number of pending complaints	NIL

GENERAL BODY MEETINGS

LOCATION AND TIME WHERE LAST THREE ANNUAL GENERAL MEETINGS (AGM) WERE HELD

Year	Date	Time	Venue
2009	29 th September, 2009	4.00 P.M.	Banquet Hall, Matoshri Arts & Sports Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai 400 093.
2008	30 th September, 2008	3.30 P.M.	Banquet Hall, Matoshri Arts & Sports Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai 400 093.
2007	28 th September, 2007	2.30 P.M.	Banquet Hall, Matoshri Arts & Sports Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai 400 093.



DETAILS OF SPECIAL RESOLUTIONS PASSED DURING THE LAST 3 A.G.M.s OR ANY SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

- The Company has passed special resolution at the Extra ordinary General Meeting held on 10.12.2008 in respect of alteration of Capital clause of Articles of Association regarding increase in Authorised Share Capital of the Company and Issue of Equity Shares on Preferential Basis.
- The Company has passed special resolution at the Annual General Meeting held on 28.09.2007 in respect of voluntary delisting of Equity Shares of the Company from Jaipur Stock exchange and Hyderabad Stock exchange and alteration of the Capital clause of Articles of Association regarding increase in Authorised Share Capital of the Company.
- The Company has not passed any resolution through postal Ballot in the previous financial year.
- During the year, the Company do not proposes to pass any special resolution through Postal Ballot.

CODE OF CONDUCT

- The Board of Directors have approved Code of Conduct applicable to Directors, Officers and Designated Employees. The Code of Conduct has been made effective from April 01, 2005. The Company has obtained declarations from the Directors, Senior Management Personnel affirming their compliances with the applicable Code of Conduct.
- The Certificate of compliance of code of conduct, by Directors, Senior Management Personnel, certified by the Managing Director is annexed to the Corporate Governance Report.

DISCLOSURES

- a) There were no materially significant related party transactions during the year having conflict with the interests of the Company.
- b) Disclosures of Related party transactions as required by Accounting Standard 18 have been given in the Note no: 17 of Schedule no. K attached to the Accounts.
- c) There has been no 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.
- d) It is hereby affirmed that no personnel has been denied the access to the Audit Committee of the Board.

**MEANS OF COMMUNICATION**

Quarterly Results	Quarter Ended	Board Meeting in which Approved
1 st Quarter	30.06.2009	31.07.2009
2 nd Quarter	30.09.2009	30.10.2009
3 rd Quarter	31.12.2009	30.01.2010
The Company has, in compliance with Clause 41 of the Listing Agreement, approved the audited Annual Results for the last quarter of the financial year 2009-10 at the Board meeting held on 29.05.2010.		
Which newspaper normally published in	Free Press Journal and Navshakti	
Any Website, where displayed	--	
Whether it also display official news releases,	No	

GENERAL SHAREHOLDER INFORMATION

1	Date, time and the venue of 20 th AGM	24th September, 2010 at 3.30 P.M. "Banquet Hall", Matoshri Arts & Sports Club, J. V. Link Road, Jogeshwari (E), Mumbai 400093
2	Financial Calendar	April 01, 2009 to March 31, 2010
3	Date of Book Closure	22.09.2010 to 24.09.2010 (both days inclusive)
4	Dividend Payment Date	N.A.
5	Listing on Stock Exchanges	The Mumbai Stock Exchange The Hyderabad Stock Exchange The Jaipur Stock Exchange
6	BSE Stock code	523676

7 Stock market price data for the last financial year ended March 31, 2010 on The Stock Exchange, Mumbai is as under:

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares
April 2009	11.50	11.50	10.75	11.25	1259
May 2009	11.81	12.57	9.50	10.90	12050
June 2009	11.44	11.67	9.02	9.26	42365
July 2009	9.25	13.00	9.25	12.61	543385
August 2009	12.99	16.50	12.50	16.00	62809
September 2009	15.75	16.90	15.00	15.50	26831
October 2009	15.50	19.35	15.00	16.80	17963
November 2009	16.75	17.55	15.00	16.40	19271
December 2009	15.90	19.95	15.90	18.90	15382
January 2010	18.10	18.70	15.60	16.00	22900
February 2010	15.50	19.85	15.50	17.60	12684
March 2010	18.45	19.50	15.15	16.50	45520



8	Registrar & Share Transfer Agent	Sharex Dynamic (India) Private Limited (formerly known as M/s. Sharex (India) Pvt. Ltd.) 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai – 400 001.			
9	Share Transfer System	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.			
10	Distribution of shareholding as on March 31, 2010				
	No. of Shares Nominal Value	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Shareholding
	1 to 5000	10070	95.87	13487340	19.37
	5001 to 10000	300	2.86	2584160	3.71
	10001 to 20000	63	0.60	1005960	1.44
	20001 to 30000	26	0.25	656920	0.94
	30001 to 40000	13	0.12	478110	0.69
	40001 to 50000	10	0.10	473580	0.68
	50001 to 100000	9	0.09	668270	0.96
	100001 and above	13	0.12	50286460	72.21
	TOTAL	10504	100.00	69640800	100.00
11	Dematerialization of Shares and liquidity	As on 31.03.2010, 63.53 % of the Company's Equity Shares representing 44,24,469 Equity Shares were held in dematerialized form with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).			
12	Outstanding GDR's / ADR's / Warrants or any Convertible instruments.	The Company does not have outstanding GDR's / ADR's / Warrants or any Convertible instruments.			
13	Plant Location (Development Centre)	G-30, Gems & Jewellery, Complex III, SEEPZ, Andheri (E), Mumbai 400 096 307/308, Kapadia Industrial Estate, Andheri Kurla Road, Chakala, Andheri (E), Mumbai – 400 093			



14	Address for Correspondence (for dematerialization/ transfer of shares, payment of dividend on shares, and any other query relating to the shares of the Company For any other queries	Sharex Dynamic (India) Pvt. Ltd. (Formerly known as M/s. Sharex (India) Pvt. Ltd.) 17/B, Dena Bank Building, 2 nd Floor, Horniman Circle, Fort, Mumbai – 400 001. G-30, Gems & Jewellery, Complex III, SEEPZ, Andheri (E), Mumbai 400 096	
15	Secretarial Audit 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.		
16	Compliance Officer	Mr. Karan Singh Baid G-30, Gems & Jewellery, Complex III, SEEPZ, Andheri (E), Mumbai 400 096 Tel No. 022-28290155/56 Fax 022-28290373	
17	Shareholding pattern as on March 31, 2010		
	Category	No. of Shares	% of total
	Promoter's holding	4899420	70.353
	Mutual Funds and UTI	0	0.00
	Financial Institution / Banks	100	0.001
	Foreign Institutional Investors	0	0
	NRIs / OCBs	1251	0.018
	Companies / Bodies Corporate	101378	1.456
	Clearing Members	629	0.009
	General Public	1961302	28.163
	Total	6964080	100.00

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

CHAIRMAN AND MANAGING DIRECTOR
(KANTI KUMAR DADHA)

PLACE: MUMBAI
DATE: 29th May, 2010



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 commendably well 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 steadily grown in the year under review.

The sales were Rs. 81,56,02,023/- as compared to Rs. 55,96,91,921/- in the previous year. The Profit after tax in the current year decreased to Rs. 51,18,446/- as against Rs. 1,58,00,932/- in the previous year. Although the sales has increased, the bottom line has reduced on account of heavy raw material costs, manufacturing costs and overheads.

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 77,06,19,994/- 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.



CERTIFICATE OF COMPLIANCE TO BE GIVEN BY THE CEO/CFO OF THE COMPANY.

I, Mr. Kanti Kumar Dadha, Chairman & Managing Director of Golkunda Diamonds & Jewellery Limited, hereby certify on behalf of the Board of Directors that:

- 1) The Board have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2010 and that to the best of their knowledge and belief
 - A) these statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading;
 - B) statements presents true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) 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) The Board 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) The Board 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.

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

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

Date: 29.05.2010

KANTI KUMAR DADHA
(Chairman & Managing Director)



To,
The members of
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

DECLARATION BY THE CHIEF EXECUTIVE OFFICER UNDER CLAUSE 49 OF THE LISTING AGREEMENT

I, Kanti Kumar 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, Designated Employees have affirmed Compliance with the Code of Conduct for the year ended 31st March 2010.

REGISTERED OFFICE:

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

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

KANTI KUMAR DADHA
(Chairman & Managing Director)

Date: 29.05.2010

AUDITORS' CERTIFICATE

To
The Board of Directors,
Golkunda Diamonds & Jewellery Ltd.,
G-30, Gem & Jewellery Complex III,
SEEPZ, Andheri (E),
MUMBAI - 400 096.

We have examined the attached Cash Flow Statement of Golkunda Diamonds & Jewellery Limited for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

FOR A. J. BALIYA & ASSOCIATES

Chartered Accountants

(M. P. MODY)

Partner,
MEMBERSHIP NO.:FCA 42975

PLACE : MUMBAI
Dated :29th May, 2010.



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMEBRS OF GOLKUNDA DIAMONDS & JEWELLERY LTD

1. We have examined the compliance of conditions of Corporate Governance by Golkunda Diamonds & Jewellery Ltd for the year ended 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us and the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. Our Reliance upon the certificate received by the Company from its Registrar for the number of complaints received from the shareholders and the number of complaints resolved during the financial year and the number of complaints pending at the year end as stated in Company's report on the Corporate Governance.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A.J. Baliya & Associates
Chartered Accountants

(M.P. MODY)

Partner
Membership No. FCA 42975

Place : Mumbai
Dated : 29th May, 2010.



AUDITOR'S REPORT

To the Members of GOLKUNDA DIAMONDS & JEWELLERY LIMITED

We have audited the attached Balance Sheet of Golkunda Diamonds & Jewellery Limited as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representation received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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



31st March, 2010;

- (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR A.J. BALIYA & ASSOCIATES
Chartered Accountants

(CA M.P. MODY)
Partner

Membership No. FCA 42975

PLACE: MUMBAI

DATED: 29th May, 2010.

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 2 of our report of even date]

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (2) In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (3) The Company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained Under Section 301 of the Companies Act, 1956.



- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control.
- (5) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that transactions that need to be entered into the register maintained Under Section 301 of the Companies Act 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained Under Section 301 of the Companies Act 1956, and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- (6) The Company has not accepted any deposits from the public.
- (7) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (8) To the best of our knowledge, the Central Government has prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956. In our opinion, prima facie, the prescribed accounts and records have been maintained. However, we are not required to and have not made examination of the records.
- (9) In respect of Statutory Dues:
- (a) According to the records of the Company, undisputed statutory dues of Provident Fund and Employees State Insurance have not been regularly deposited with the appropriate authorities. Undisputed statutory dues other than above including Investor Education and Protection Fund, Income-Tax, Sales-Tax, Wealth Tax, Customs Duty, Excise Duty, Cess have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, except income tax there are no dues in respect of Sales-Tax, Custom Duty, Wealth-Tax, Excise Duty, Service Tax or Cess outstanding on account of any dispute. The details of dues of Income Tax which have not been deposited on account of dispute are given below:

Particulars	Assessment year to Which the matters Pertains	Forum where dispute is pending	Amount Rs.
Income Tax Act, 1961	2007-08	Commissioner (Appeals)	8,83,181/-



- (10) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (11) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to bank.
- (12) In our opinion and according to explanation given to us no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (14) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- (16) The Company has not raised any term loans during the year.
- (17) On the basis of overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis have been used for long term investment.
- (18) The Company has not made any preferential allotment of shares during the year.
- (19) The Company has not issued any debentures during the year.
- (20) The Company has not raised any money by public issue during the year.
- (21) 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.

FOR A.J. BALIYA & ASSOCIATES
Chartered Accountants

PLACE: MUMBAI
DATED: 29th May, 2010.

(CA M.P. MODY)
Partner
Membership No. FCA42975

**BALANCE SHEET AS AT 31st MARCH, 2010**

	Schedule	Rs.	2009-2010 Rs.	2008-2009 Rs.
SHAREHOLDERS' FUNDS:				
Share Capital	A	69,640,800	69,640,800	
Reserves & Surplus	B	<u>53,631,285</u>	<u>48,512,839</u>	
			123,272,085	118,153,639
LOAN FUNDS:				
Secured Loans	C	281,220,139		281,610,943
DEFERRED TAX LIABILITIES				
TOTAL			<u>1,307,903</u>	<u>1,708,126</u>
			<u>405,800,127</u>	<u>401,472,708</u>
APPLICATION OF FUNDS:				
FIXED ASSETS				
Gross Block	D	39,842,931	38,121,737	
Less: Depreciation		<u>23,209,077</u>	<u>21,095,706</u>	
Net Block			16,633,854	17,026,031
CURRENT ASSETS, LOANS & ADVANCES:				
Inventories	E	71,852,799	76,970,034	
Sundry Debtors		381,222,208	371,550,890	
Cash & Bank Balances		14,516,684	13,708,415	
Loans & Advances		<u>23,628,794</u>	<u>12,630,551</u>	
		<u>491,220,485</u>	<u>474,859,890</u>	
Less: CURRENT LIABILITIES & PROVISIONS:				
Liabilities	F	87,327,030	77,938,702	
Provisions		<u>14,895,774</u>	<u>12,701,000</u>	
		<u>102,222,804</u>	<u>90,639,702</u>	
NET CURRENT ASSETS			388,997,681	384,220,188
MISCELLANEOUS EXPENDITURE				
(to the extent not written off or adjusted)				
Share Issue Expenses			168,592	226,489
TOTAL			<u>405,800,127</u>	<u>401,472,708</u>
Notes On Account:	K			-

As per our report of even date

Signatories to Schedules 'A' to 'K'.

FOR A.J. BALIYA & ASSOCIATES

Chartered Accountants

FOR & ON BEHALF OF BOARD**(CA M. P MODY)**

Partner

Membership No. FCA 42975

Place : Mumbai

Dated 29th May, 2010

(KANTIKUMAR DADHA)

Chairman & Managing Director

(KARANSINGH BAID)

Wholtime Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010**

	Schedule	2009-2010 Rs.	2008-2009 Rs.
INCOME			
Sales			
Export		770,619,994	526,080,564
Local		44,982,029	33,611,357
Other Income		795,809	54,223
Foreign Exchange Rate Difference		(15695354)	71176232
		<u>800,702,478</u>	<u>630,922,376</u>
EXPENDITURE			
Materials Cost	G	731,454,905	540,115,149
Manufacturing	H	11,042,634	7,737,185
Employees Remuneration	I	18,083,512	16,515,878
Administrative	J	13,311,251	11,164,627
Interest		17,439,835	28,382,137
Depreciation	D	2,113,371	1,949,132
		<u>793,445,508</u>	<u>605,864,108</u>
PROFIT BEFORE TAX		7,256,970	25,058,268
Provision for Taxation		2,600,000	9,250,000
Fringe Benefit Tax		-	100,000
Previous Year's Tax Adjusted		(61253)	-
Deferred Tax		(400223)	(92664)
PROFIT AFTER TAX		5,118,446	15,800,932
Add : Balance Brought Forward		-	-
from Previous year		45,712,839	29,911,907
Balance Carried to Balance sheet		<u>50,831,285</u>	<u>45,712,839</u>

Notes On Account: **K**

As per our report of even date
Signatories to Schedules 'A' to 'K' .
FOR A.J. BALIYA & ASSOCIATES
Chartered Accountants

FOR & ON BEHALF OF BOARD

(CA M . P MODY)
Partner
Membership No. FCA 42975
Place : Mumbai
Dated 29th May, 2010

(KANTIKUMAR DADHA) **(KARANSINGH BAID)**
Chairman & Managing Director Wholetime Director

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010**

	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - A		
SHARE CAPITAL		
Authorised:		
70,00,000 Equity shares of Rs. 10 each.	<u>70,000,000</u>	<u>70,000,000</u>
Issued, Subscribed & Paid-up:		
69,64,080 Equity Shares of Rs.10/- each fully paid up in cash (28,00,000 Equity shares issued at a premium of Rs. 1/- per share)	69,640,800	69,640,800
	<u>69,640,800</u>	<u>69,640,800</u>
 SCHEDULE - B		
RESERVES & SURPLUS		
Share Premium	2,800,000	2,800,000
Profit & Loss Account	50,831,285	45,712,839
	<u>53,631,285</u>	<u>48,512,839</u>
 SCHEDULE - C		
Secured Loans		
Post Shipment Credit from State Bank Of Indore (Secured by hypothecation of receivables, equitable mortgage of office premises and personal guarantees of three directors of the Company)	202,600,000	189,900,000
Export Packing Credit from State Bank Of Indore (Secured by hypothecation of raw materials, materials in process, finished goods, equitable mortgage of office premises and personal guarantees of three directors of the Company)	77,533,221	90,168,857
HDFC (Secured by Hypothication of a vehicle)	1,086,918	1,468,822
ICICI Bank Ltd (Secured by Hypothication of a vehicle)	-	73,264
	<u>281,220,139</u>	<u>281,610,943</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010

**SCHEDULE - D
FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	AS AT 01.04.2009	ADDITIONS DEDUCTIONS	AS AT 31.03.2010	UP TO 31.03.2009 YEAR ADJUSTMENT	UP TO 31.03.2010	AS AT 31.03.2010
FACTORY PREMISES	6,996,697	-	6,996,697	233,690	3,827,245	3,169,452
PLANT & MACHINERY	13,751,901	697,512	14,449,413	702,772	7,479,861	6,969,552
FURNITURE & FIXTURES	6,529,682	189,439	6,719,121	414,792	5,699,413	1,019,708
COMPUTERS	1,459,726	250,544	1,710,270	158,187	1,207,360	502,910
VAULT	59,465	-	59,465	2,825	49,504	9,961
VEHICLES	2,586,388	-	2,586,388	245,707	603,273	1,983,115
FACTORY EQUIPMENTS	783,345	190,679	974,024	40,840	384,207	589,817
AIR CONDITIONERS	1,467,697	18,222	1,485,919	69,979	740,571	745,348
ELECTRICAL INSTALLATIONS	2,276,037	111,406	2,387,443	108,489	1,650,369	737,074
DIES & MOULDS	1,567,274	-	1,567,274	136,090	1,567,274	-
CAPITAL WIP	643,525	263,392	906,917	-	-	906,917
T O T A L Rs.	38,121,737	1,721,194	39,842,931	2,113,371	23,209,077	16,633,854
PREVIOUS YEAR Rs.	35,267,426	3,107,658	37,995,100	1,949,133	21,095,706	16,899,394

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010**

	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - E		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
Inventories:		
(As per inventory taken, valued and certified by the management)		
Raw Materials	40,528,421	57,931,023
Work-in-Process	68,950	68,950
Finished Goods	30,198,100	18,143,471
Stores & Spare Parts	1,057,328	826,590
	<u>71,852,799</u>	<u>76,970,034</u>
Sundry Debtors:		
(Unsecured, considered good)		
Due for more than six months	64,911,813	28,019,142
Others	316,310,395	343,531,748
	<u>381,222,208</u>	<u>371,550,890</u>
Cash & Bank Balances:		
Cash on hand	126,789	790,773
Balances with Scheduled banks:		
In Current Accounts	860,029	96,075
In Fixed Deposits	13,520,117	12,542,616
In EEFC	9,749	278,950
	<u>14,516,684</u>	<u>13,708,414</u>
LOANS & ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received)		
	358,715	1,693,504
Prepaid Expenses	5,238,265	37,419
Deposits	1,783,603	1,802,103
Vat Receivable	2,018,102	1,998,025
Advance Tax	13,583,000	6,520,000
Tax Deducted at Source	303,594	281,985
Fringe Benefit Tax	343,515	297,515
	<u>23,628,794</u>	<u>12,630,551</u>
SCHEDULE - F		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors	83,834,739	74,593,018
Other Liabilities	3,492,291	3,345,684
	<u>87,327,030</u>	<u>77,938,702</u>
Provisions		
For Taxation	14,576,774	12,382,000
For Fringe Benefit Tax	319,000	319,000
TOTAL	<u>14,895,774</u>	<u>12,701,000</u>

* There are no dues of Small Scale Industrial undertakings.

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31st MARCH, 2010**

	2009-2010	2008-2009
	Rs.	Rs.
SCHEDULE - G		
MATERIAL COST		
Raw Materials Consumed :		
Opening Stock	57,931,023	44,430,284
Add : Purchases	224,700,141	160,890,952
	<u>282,631,164</u>	<u>205,321,236</u>
Less: Closing Stock	<u>40,528,421</u>	<u>57,931,023</u>
	242,102,743	147,390,213
Purchases of Finished Goods	501,406,791	403,792,966
Opening Stock :		
Work-in-Process	68,950	68,950
Finished Goods	18,143,471	7,075,441
	<u>18,212,421</u>	<u>7,144,391</u>
Less : Closing Stock		
Work-in-Process	68,950	68,950
Finished Goods	30,198,100	18,143,471
	<u>30,267,050</u>	<u>18,212,421</u>
	12,054,629	11,068,030
	<u>731,454,905</u>	<u>540,115,149</u>

SCHEDULE - H**MANUFACTURING**

Stores & Spares parts consumed	3,292,971	3,068,232
Power, Fuel & Electricity	2,137,875	1,752,077
Water Charges	210,168	165,146
Repairs & Maintenance :		
Plant & Machinery	206,567	114,879
Factory Premises	295,235	174,989
Electrical Installation	106,989	31,230
Grooving & Labour charges	4,792,829	2,430,632
	<u>11,042,634</u>	<u>7,737,185</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31st MARCH, 2010**

	2009-2010	2008-2009
	Rs.	Rs.
SCHEDULE I		
EMPLOYEES' REMUNERATION		
Salaries, Wages & Bonus	15,771,804	13,885,518
Directors' Remuneration	1,080,000	1,512,000
Contribution to Provident and Other Funds	549,440	602,814
Staff Welfare	553,567	357,274
Gratuity	128,701	158,273
	<u>18,083,512</u>	<u>16,515,879</u>
SCHEDULE J		
ADMINISTRATION		
Printing & Stationery	460,363	150,303
Legal & Professional Charges	773,330	975,685
Travelling & Conveyance	1,632,594	1,340,864
Postage, Telephone, Telex	376,206	429,842
Repairs & Maintenance :		
Office Equipments	31,551	12,785
Vehicles	157,535	51,910
Others	60	1,334
Computer	175,424	187,259
Import Expenses	579,217	66,950
Auditors' Remuneration	85,000	50,000
Rent, Rates & Taxes	1,253,953	1,186,688
Sales Promotion Expenses	257,383	320,042
Bank Charges	1,681,148	2,161,414
Insurance & ECGC Premium	262,647	514,232
Vehicle Expenses	142,408	195,000
Miscellaneous Expenses	565,614	417,522
Export Expenses	1,499,957	862,596
Advertisement & Exhibition	3,318,964	1,271,823
Sundry Balances Written off/(back)	-	847,034
Loss on Sale of Vehicle	-	60,899
Share Issue Expenses written Off	57,897	60,447
	<u>13,311,251</u>	<u>11,164,629</u>



GOLKUNDA DIAMONDS & JEWELLERY LIMITED

SCHEDULE : K

NOTES ON ACCOUNTS

[2009-2010]

1. SIGNIFICANT ACCOUNTING POLICIES

I) Basis of Accounting

The Company Prepares its accounts on accrual basis in accordance with generally accepted accounting principles and under historical cost convention. For recognition of Income & Expenses, Accrual System of Accounting is followed, except as stated otherwise.

II) Fixed Assets :

Fixed assets are stated at cost less depreciation. The cost is inclusive of all direct and incidental expenses related to acquisition and installation.

III) Depreciation :

Depreciation on fixed assets is provided on straight line method at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956.

IV) Inventories :

Inventories are valued at the lower of cost and net realisable value.

V) Share Issue Expenses :

Share Issue Expenses are written off in equal installments over a period of ten accounting years.

VI) Foreign Exchange Transactions :

Monetary assets & Liabilities related to foreign currency transaction settled during the year.

VII) Retirement Benefits:

Gratuity has been provided in accordance with the provisions of Payment of Gratuity Act, 1972.

VIII) Deferred Tax

Tax expenses charged to Profit & Loss account is after considering the deferred tax impact for the timing difference between accounting income and tax income, Deferred tax assets are recognized when there is a reasonable certainty that they will be realized. Deferred tax asset relating to unabsorbed business losses are



recognized when there is a virtual certainty that there will be sufficient taxable profit to utilize them.

2. Contingent Liabilities:

Bank guarantee of Rs. 6000/-
Income Tax Liability for A.Y 2007-08 of Rs.8,83,181/-

3. Balances in respect of Sundry Creditors, Sundry Debtors and Loans & Advances are subject to confirmation from the respective parties.
4. Sundry balances written off/back in Schedule K includes sundry debtors of Rs NIL (previous year Rs. 7,30,111/-) Written off being considered as bad and doubtful in the previous year.
5. Factory Premises in Schedule D of Fixed Assets includes Rs.520/- towards cost of shares in a Co-operative Society.

6. Licensed & Installed Capacities and Actual Production. :
(As Certified by the Management)

Class of Goods	Unit	Licensed Capacity	Installed Capacity	Actual Production
Studded Gold Jewellery	Gms. (Gms.)	Not Applicable (Not Applicable)	Not Ascertainable (Not Ascertainable)	- (78734.02)
Studded Jewellery	Gms	Not Applicable (Not Applicable)	Not Ascertainable (Not Ascertainable)	139710.07 -
Plain Gold Jewellery	Gms (Gms)	Not Applicable (Not Applicable)	Not Ascertainable (Not Ascertainable)	- (29860.40)

Figures in brackets indicate figures for previous year.

7. Break up of Raw Materials , Stores & Spare Parts Consumed :

	Unit	2009-2010		2008-2009	
		Qty	Rs.	Qty	Rs.
Cut & Polished Diamonds	Cts.	23204.36	11,41,27,198	10,720.18	5,37,84,127
Standard Gold Bars	Gms.	94,452.44	12,52,79,285	70,507.58	9,25,73,022
Precious & Semi Precious Stones	Cts.	536.62	26,054	280.64	92,066
Alloys & Silver	Gms	98,091.79	10,22,982	1,07,349.00	7,27,154
Mounting	Pcs.	-	-	867.00	1,924
Findings	Pcs	64.59	41,198	68.40	38,808
Studded Jewellery for Remaking	Gms	828.66	16,06,025	86.04	1,73,115
Stores & Spare parts		-	32,92,973	-	30,68,232
TOTAL			24,53,95,715		15,04,58,445

**8. Value of Consumption:**

	2009-2010		2008-2009	
	Percentage	Rs.	Percentage	Rs.
(i) Raw Materials :				
- Indigenous	91%	22,09,89,801	79%	11,57,22,148
- Imported	9%	2,11,12,942	21%	3,16,68,065
		24,21,02,743		14,73,90,213
(ii) Stores & Spare Parts				
- Indigenous	96%	31,71,270	98%	30,06,867
- Imported	4%	1,21,701	2%	61,365
		32,92,971		30,68,232

9. Opening Stock of Finished Goods :

	Unit	2009-2010		2008-2009	
		Qty.	Rs.	Qty.	Rs.
Cut & Polished Diamonds	Cts.	2720.44	1,80,84,110	934.260	70,06,950
Precious Stones	Cts.	599.08	57,130	599.080	66,230
Platinum	gms	1.21	2,261	1.12	2,261
		3320.73	1,81,43,471	1534.55	70,75,441

10. Closing Stock of Finished goods :

	Unit	2009-2010		2008-2009	
		Qty.	Rs.	Qty.	Rs.
Cut & Polished Diamonds	Cts.	5671.89	3,01,38,939	2720.44	1,80,84,110
Precious Stones	Cts.	349.38	56,900	599.080	57,100
Platinum	gms	1.21	2,261	1.21	2,261
		6022.48	3,01,98,100	3320.73	1,81,43,471

11. Purchases for Resale :

	Unit	2009-2010		2008-2009	
		Qty.	Rs.	Qty.	Rs.
Cut & Polished Diamonds	Cts.	97,018.48	50,14,06,791	45,942.96	40,37,92,966
		97,018.48	50,14,06,791	45,942.96	40,37,92,966

**12. Sales :**

	2009-2010			2008-2009	
	Unit	Qty.	Rs.	Qty.	Rs.
Cut & Polished					
Diamonds	Cts.	94067.03	51,46,01,443	44,156.78	36,97,45,161
Studded Gold Jewellery	gms.	139710.07	30,10,00,580	78,734.02	14,65,95,633
Plain Gold Jewellery	gms	-	-	29,860.40	4,33,51,127
		2,33,777.10	81,56,02,023	1,52,751.20	55,96,91,921

13. Directors' Remuneration :

	Managing Director	Executive Director	Executive Director
	Rs.	Rs.	Rs.
Salaries	5,40,000	5,17,500	5,17,500
	(4,80,000/-)	(3,00,000/-)	(3,00,000/-)

The Managing Director has waived commission for the year
Figures in bracket indicates figures for previous year

14. Auditors' Remuneration :

	2009-2010	2008-2009
	Rs.	Rs.
Audit Fees	35,000	30,000
Tax Audit Fee	20,000	12,000
Vat Audit	20,000	-
Certification	5,000	3,000
Taxation Matter	5,000	5,000
	85,000	50,000

15. Value of Imports on CIF Basis :

	2009-2010
	Rs.
Raw Materials	1,63,82,287
Stores & Spare Parts	3,59,237

16. Earning in Foreign exchange :

	2009-2010
	Rs.
Export at F.O.B. Basis	76,92,00,580

**17. Related Party disclosures**

Related parties disclosure in respect of Material Transaction are given below:-

a) Key Managerial Personnel:

Name	Designation	Transaction	Amount
Shri Kanti Kumar Dadha	Managing Director	Remuneration & Perquisites	6,21,000 (6,27,960)
Shri Karan Singh Baid	Executive Director	Remuneration & Perquisites	5,17,500 (4,80,000)
Shri Arvind Dadha	Executive Director	Remuneration & Perquisites	5,17,500 (4,80,000)

Figures in brackets indicate figures for previous year.

b) Relative of Key Managerial Personnel

Name	Transaction	Amount
Mr. Ashish Dadha	Salaries	3,92,500/- (3,30,000)

Figures in brackets indicate figures for previous year.

18. Segment Reporting:

The Company is engaged in manufacturing & Sale of Studded Gold Jewellery, which is the only reportable Segment.

19. Deferred Tax Assets (Net)

	As on March 01/04/2009	Current Years (Reverse)/Credit	As on 31/03/2010
Deferred Tax Liabilities			
1) Depreciation	24,95,002	(441597)	20,53,405
A	24,95,002	(441597)	20,53,405
Deferred Tax Assets			
1) Gratuity	7,86,876	41374	7,45,502
B	7,86,876	41374	7,45,502
Deferred Tax Liabilities (Net) B-A	17,08,126	4,00,223	13,07,903

Pursuant to accounting standard 22 on "Accounting for Taxes on Income" the impact of deferred tax liability(net) for the year ended 31/03/2010 of Rs (400233) has been credited to the Profit & Loss Account



20. Previous year's figures have been regrouped/rearranged wherever necessary.
21. Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details:

C.I.N. No.	U36912MH1990PLC058729
State Code	011
Balance Sheet Date	31/03/2010

II. Capital Raised during the Year (Amount in Rs Thousand)

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement (Promoters)	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousand)

Total Liabilities	508023
Total Assets	508023

Sources of Funds:

Paid-up Capital	69641
Reserves & Surplus	53631
Secured Loans	281220
Deferred Tax Liabilities	1308

Application of Funds:

Net Fixed Assets	16634
Net Current Assets	388998
Mis. Expenditure	168

IV. Performance of Company (Amount in Rs Thousand)

Turnover (Total Income)	800702
Total Expenditure	793445
Profit Before Tax	7257
Profit After Tax	5118
Earning Per Share (Rs)	0.73
Dividend Rate %	—

V. Generic Terms of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	711319 - 02
Product Description	Studded Jewellery & Diamonds



Item Code No. (ITC Code)
Product Description

711319 - 03
Jewellery

Item Code No. (ITC Code)
Product Description

710239 - 01
Cut & Polished Diamonds

Signatories to Schedules `A' to K'

As per our report of even date

FOR A.J.BALIYA & ASSOCIATES
Chartered Accountants

FOR & ON BEHALF OF THE BOARD

(CA.M.P.MODY)
Partner
Membership No.: FCA42975

(KANTIKUMAR DADHA) **(KARANSINGH BAID)**
Chairman & Managing Director Wholetime Director

Place : Mumbai
Date : 29th May 2010



	2009-10		2008-2009	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extra-ordinary Items		7,256,969		25,058,268
Adjustments for -				
Depreciation	2,113,371		1,949,132	
Interest Charged	17,439,835		28,382,137	
Loss on Sale of Vehicle	-		60,899	
Share Issue Expenses Written off	57,897		60,447	
Foreign Exchange Rate Difference	15,695,354		(71176232)	
		<u>35,306,457</u>		<u>(40723617)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		42,563,426		(15665349)
Adjustments for :				
Trade & Other Receivable	(13538952)		(74501622)	
Inventories	5,117,235		(24529821)	
Liabilities	<u>9,388,328</u>		<u>38,067,027</u>	
		966,611		(60964416)
Cash Generated from Operations		43,530,037		(76629765)
Interest Paid		(17439835)		(28382137)
Direct Tax Paid		(7535835)		(5303494)
Cash Flow Before Extra-Ordinary Items		<u>18,554,367</u>		<u>(110315396)</u>
Prior year's Adjustment		61,253		-
NET CASH FROM OPERATING ACTIVITIES A		18,615,620		(110315396)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Sale of Fixed Assets	-		154,666	
Purchases of Fixed Assets	<u>(1721194)</u>		<u>(3107658)</u>	
NET CASH USED IN INVESTING ACTIVITIES B		(1721194)		(2952992)
CASH FLOW FROM FINANCING ACTIVITIES				
Issue Of Shares	-		30,800,000	
Expenses on Issue of Shares	-		(263986)	
Proceeds from Borrowings	(390804)		22,746,649	
NET CASH USED IN FINANCE ACTIVITIES C		(390804)		53,282,663
C. FOREIGN EXCHANGE RATE DIFFERENCE D		(15695354)		71,176,232
Net Decrease in Cash and Cash Equivalents (A+B+C+D)		808,268		11,190,507
Opening Balance of Cash & Cash Equivalents		13,708,415		2,517,908
D. Closing Balance of Cash & Cash Equivalents		14,516,683		13,708,415

FOR AND ON BEHALF OF THE BOARD

(KANTIKUMAR DADHA)

Chairman & Managing Director

Place : Mumbai
Dated :29th May, 2010.

(KARANSINGH BAID)

Wholetime Director



GOLKUNDA DIAMONDS & JEWELLERY LIMITED

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

Please complete the Attendance slip and hand it over at the Meeting Hall. Please also bring your copy of the enclosed Annual Report.

ATTENDANCE SLIP

I hereby record my presence at the 20th ANNUAL GENERAL MEETING of the Company convened at "Banquet Hall", Matoshri Arts & Sports Club, Jogeshwari-Vikhroli Link Road, Andheri (East), Mumbai - 400 093 on 24th September, 2010 at 3.30 P.M.

REG. FOLIO NO. _____

NO. OF SHARES _____

NAME OF THE MEMBER (IN BLOCK LETTERS) _____

SIGNATURE OF THE MEMBER OR PROXY _____

GOLKUNDA DIAMONDS & JEWELLERY LIMITED

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

PROXY FORM

REG. FOLIO NO. _____

NO. OF SHARES _____

I/We _____

of _____

hereby appoint _____ of _____

or failing him _____ of _____

or failing him _____ of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 20th Annual General Meeting to be held on 24th September, 2010 and at any adjournment thereof.

Signed by the said _____

NOTE: The form of proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

BOOK-POST

If Undelivered, Please return to:

REGISTERED OFFICE:
GOLKUNDA DIAMONDS & JEWELLERY LIMITED
G/30, Gems & Jewellery Complex III, SEEPZ,
Andheri (East), Mumbai - 400 096.