CIN. : L36911MH1989PLC053685
Alka DIAMOND INDUSTRIES LIMITED
626, Panchratna, Opera House, Mumbai - 400 004. Tel No.: 91-22-2363 6534.
Fax: 91-22-2366 4885. E-mail: alkadiamond@rediffmail.com

To,

Date: 30/09/2015

**The Manager**

**Listing Dept./Market Operation Dept.**

The Stock Exchange Mumbai

14th floor, Phiroz Jeejeebhoy Towers,

Dalal Street, Mumbai – 400 023

**Ref : Alka Diamond Industries Limited (Scrip Code-531581, Scrip ID- ALKADIA)**

**Sub : Submission of Revised Annual Report for the year ended March 2015**

Dear Sir,

With reference to above we are submitting the Revised Annual Report for the year ended 31st March 2015 because of that The form of MR.3 for Secretarial Audit Report was incorrect which was mentioned in the previous Annual Report for 2015. So we submit the Revised Annual Report along with the correct MR. 3 which approved and issued by our Company Secretary M/s. Abhishek & Co. Company Secretary.

Thanking you,

Yours truly,

**For Alka Diamond Industries Limited**

**Gopal M. Verma**

**Managing Director**

**DIN: 01687709**

CIN. : L36911MH1989PLC053685
Alka DIAMOND INDUSTRIES LIMITED
626, Panchratna, Opera House, Mumbai - 400 004. Tel No.: 91-22-2363 6534.
Fax: 91-22-2366 4885. E-mail: alkadiamond@rediffmail.com

**FORM A**

**Pursuant to Caluse 31 (a) of Listing Agreement)**

| | | | |
|---|---|---|---|
| 1 | Name of the Company | | ALKA DIAMOND INDUSTRIES LIMITED |
| 2 | Annual financial statements for the year ended | | 31st March 2015 |
| 3 | Type of audit observation | | Unqualified / Clear |
| 4 | Frequency of observation | | N.A |
| 5 | To Be Signed By-<br>CEO/Managing Director<br>CFO<br>Auditor of the company<br>Audit Committee Chairman | | GOPAL M. VERMA<br>Managing Director<br>DIN. 01687709 |

# ALKA DIAMOND INDUSTRIES LTD

ANNUAL REPPORT 2014-2015

# C O N T E N T S


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## CORPORATE INFORMATION

**BOARD OF DIRECTORS**

| | |
|---|---|
| Gopal M. Verma | Managing Director |
| Nilesh Parmar | Director |
| Pankaj Kumar Jain | Director |
| Sanat Upadhyay | Director |
| Kiran Lata Verma | Director |

**REGISTERED OFFICE**

626, Panchratna,
M P Road, Opera House,
Mumbai- 400004

**AUDITORS**

M/S. K. K. Jhunjhunwala & Co.
Chartered Accountants
Off. No. 8a, 8th Floor, Astral Centre,
470-B, N. M. Joshi Marg,
Chinchpokli- West. Mumbai-400011

**REGISTRAR AND SHARE TRANSFER AGENT**

Sharex Dynamic (India) Private Limited
Unit 1, Luthra Industrial Premises, 1st Floor,
44-E, M. Vasanti Marg, Andheri Kurla Road,
Safed Pool, Andheri (East), Mumbai–400 072

**BANKER**

Axis Bank Ltd
Union Bank Of India

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **26th Annual General Meeting** of the Members of **ALKA DIAMOND INDUSTRIES LIMITED** will be held on Wednesday the 30th day of September 2015 at 10.30 A. M. at the Registered office of the Company to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2015 the report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sanat Upadhyay (DIN: 01614121) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT, pursuant to the provisions of Section 139 142 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. K. K. Jhunjhunwala & Co. Chartered Accountants, Mumbai (Firm Registration No. 111852W) with the Institute of Chartered Accountants of India), were appointed by the Members as the Statutory Auditors of the Company at the 26th Annual General Meeting held on 30th September, 2015 to hold office until the conclusion of the 28th Annual General Meeting, and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Act, and Rule 4 of the Rules, be and are recommended for ratification of their appointment until conclusion of the next AGM on such remuneration as may be agreed upon by the Audit Committee/ Board of director in consultation.

## SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

   **Appointment of Mrs. Kiran Lata Ashok Verma as a Woman Director**

**"RESOLVED THAT** pursuant to the provisions of Sections 152 and 160 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement entered with the BSE and other applicable provisions, if any, (Including any statutory modification(s) or reenactment thereof, for the time being in force), Mrs. Kiran Lata Ashok Verma (DIN: 05199911), Director of the Company, who holds office up to ensuing Annual General Meeting and being eligible, and offers herself for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from her signifying own candidature for the office Director, be and is hereby appointed as an Woman Director of the Company.

**RESOLVED FURTHER THAT** any Director of the Company, be and is hereby authorised to sign and submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as he may in his absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution."

**BY ORDER OF THE BOARD**
**For ALKA DIAOMAND INDUSTRIES LIMITED.** **PLACE: - MUMBAI.**
**DATE : 03.09.2015**

**GOPAL M. VERMA**
**MANAGING DIRECTOR**
**DIN: 01687709**

**NOTES TO NOTICE**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) ISENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

   Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying on voting rights. However, A Member holding more than ten per cent 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 proxy for any other shareholder.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2015 to 30th September, 2015 (both days inclusive).
3. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 10.30 a. m. and 05.30 p. m. up to the date of the Annual General Meeting.
4. As a measure of economy copies of Annual Report will not be distributed at the Annual General Meeting. Therefore members are requested to bring their copy of the Annual Report to the Meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
6. The Company has appointed **M/s. Sharex Dynamic (India) Pvt. Ltd,** Unit – 1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri – Kurla Road, Safed Pool, Andheri – East, Mumbai – 400072 as the Share Transfer Agent to undertake all Investor Servicing activities, Both demate and physical segments. All concerned are requested to send their documents and address all their correspondence directly to the above registrar.
7. The Ministry of Corporate Affairs has taken "Green initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that Services of Notice/Documents including Annual Report can be sent by e-mail to its members To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their current e-mail addresses, in respect of electronic holding with the depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the company's share Transfer Agents M/s Sharex Dynamic (India) Pvt. Ltd.

8. Members holding shares in physical form are requested to advise any change of address or bank mandate immediately to the company/ registrar and transfer agent, Sharex Dynamic (India) Pvt. Ltd.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent M/s. Sharex Dynamic (India) Private Limited
10. The Annual Report of the Company circulated to the member of the Company will be made available on the Company's website at " www.alkadiamond.com"

**BY ORDER OF THE BOARD**

**For ALKA DIAOMAND INDUSTRIES LIMITED.** **PLACE: - MUMBAI.**

**DATE : 03.09.2015**

**GOPAL M. VERMA**

**MANAGING DIRECTOR**

**DIN: 01687709**

# DIRECTOR'S REPORT

To
The Shareholders,

Your Directors have pleasure in presenting their **26th ANNUAL REPORT** along with the audited annual accounts for the year ended on **31ST MARCH, 2015,** AND REPORT THAT: -

## 1. FINANCIAL RESULTS

A summary of your Company's Financial Performance for the Financial Year ended **31st March 2015** is given below: -

| PARTICULARS | 2014-2015 | 2013-2014 |
|---|---|---|
| Sales & Other Income | 8,77,507 | (31,52,709) |
| Profit/(Loss) Before Tax (PBT) | (14,531) | (40,86,964) |
| Profit/(Profit) After Tax (PAT) | (14,531) | (40,86,964) |
| Less :- Prior year tax adjustments | NIL | (5,34,630) |
| Deferred Tax | (252) | (401) |
| Add :- Balance B/F from the previous year | (17,46,089) | (28,75,103) |
| Balance available for Appropriation | (17,60,368) | (17,46,089) |
| Less :- Transferred to General Reserve | NIL | NIL |
| Proposed Dividend | NIL | NIL |
| Balance Carried to Balance Sheet | (17,60,368) | (17,46,089) |

## 2. SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed **M/s. Abhishek Lakhotia & Co.,** Company Secretary in practice to undertake the Secretarial Audit of the Company for FY 2014-15. The Secretarial Audit report is annexed herewith as **"Annexure B".** The Board of Directors has re-appointed M/s. Abhishek Lakhotia & Co, Company Secretary in Practice to conduct Secretarial Audit for FY 2015-16 at its meeting held on 25th August 2015.

3. **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual Return in Form MGT-9 as required under Section 92 of the Companies Act, 2013 (herein after referred to as "the Act") form an integral part of this Report. (ANNEXURE – B)

**4. NUMBER OF MEEINGS OF THE BOARD**

During Financial Year 2014-15 Five Board Meetings were held by the Company on 28th April.,2014, 29th July.,2014, 21st Oct.,2014, 21st Jan.,2015 and 31st March.,2015. The intervening gap between the meetings was prescribed under the Companies Act.2013 and clause 49 of the Listing Agreement entered with the BSE. The number of Committee Meeting held during the Financial Year 2014-15 forms part of the Corporate Governance Report.

**5. DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of Section 134(5) of the Act.

(a) That in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the profit or loss of the Company for the Financial Year ended on that date;

(c ) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and their irregularities;

(d) That the annual Financial Statements have been prepared on a going concern basis;

(e) That proper internal financial controls were in place and that the financial controls Were adequate and were operating effectively;

(f) That systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**6. DIRECTORS:**

In accordance with the provisions of Section 152 of the Act, and that of Articles of Association of the Company, Shri Sanat Upadhyay (DIN: 01614121), Director of the Company retires by rotation at this AGM of the Company and being eligible, offers himself for reappointment. In accordance with the provision of the Act, the Articles of Association of the Company, and as per the Clause 49 of the listing agreement entered with Stock Exchange, the Board of Directors in their meeting held on 29th May, 2015 appointed Mrs Kiran Lata Ashok Verma (DIN: 05199911) as Additional Director (Woman Director) up to the ensuing AGM. The Company has received notice in writing from her signifying own candidature for appointment as Non-Executive Director of the Company. The Board recommends her appointment at the ensuing AGM. The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the BSE.

**7. AUDITORS AND AUDITORS REPORT.**

M/s. K. K. Jhunjhunwala & Co., Chartered Accountants (Reg. No. 111852W) Auditors of the Company, hold office till the conclusion of 28th Annual General Meeting. As per the provisions of Section 139 their appointment is required to be ratified in every Annual General Meeting and being eligible for appointment the Directors recommended for their reappointment for ratification. The Company has received their consent and a certificate as required under Section 139 (1) of the Companies Act, 2013 from them to the effect that they qualify for their re-appointment, if made and it would be within the prescribed limits under Section 141 of the Companies Act, 2013

8. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY UNDER SECTION 186.**

There are no loans, Guarantees and Investments made under the provisions of Section 186 of the Companies Act, 2013 during the year. Details of Loan, Guarantees and Investments covered under the provisions of the Act are given in the notes to the Financial Statements.

**9. RELATED PARTY TRANSACTIONS:**

There are no contracts or arrangements with related parties referred to section 188(1) of the companies Act, 2013.

**10. SUBSIDIARY COMPANIES, JOINT VENTURES NAD ASSOCIATES COMPANIES**

**The Company does not have any Subsidiary and Associate Company or Joint venture**

**11. DEPOSITORY SYSTEM:**

Your Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the Rule made thereunder and therefore no amount of principal or interest was outstanding as on the date of Balance Sheet.

**12. DECLARATION BY INDEPENDENT DIRECTORS**

**The Board has received the declaration from the Independent Directors as per the requirement of Section 149(7) and the Board is satisfied that all the Independent Directors meets the criterion of Independence as mentioned in Section 149(6).**

13. **FINANCIAL HIGHLIGHTS AND COMPANY AFFAIRS:**

Your Company has earned total revenue of ₹8.78 lakhs in Financial Year 2014-15 as compared to loss ₹31.53 lakhs in Financial Year 2013-14. The profit/(Loss) after tax in Financial Year 2014-15 is ₹(0.14) lacs as compared to loss ₹46.21 lakhs in Financial Year 2013-14.

14. **DIVIDEND**

Due to non-availability of sufficient funds, your directors express their inability to recommend any dividend for the year under review.

**15. INTERNAL CONTROL POLICY**

As per the Act, and as part of good corporate governance the Company has constituted the Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan and policy for the Company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD &

CEO and the CFO that the mitigation plans are finalised and up to date, owners are identified and the progress of mitigation actions are monitored.

**16. SHARE CAPITAL**

The Issued, Subscribed and Paid-Up Equity Share Capital as on 31st March, 2015 was Rs. 48,609,000. During the year under review, the Company has not issued shares with differential voting rights nor granted any stocks options or sweat equity. As on 31st March, 2015 none of the Directors of the Company holds instrument convertible into equity shares of the Company.

**17. CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement entered with the BSE, a separate Report on Corporate Governance practices followed by the Company, together with a Certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

Further, as per Clause 49 of the Listing Agreement entered with the BSE, CEO/CFO Certification confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee forms an integral part of this Report.

**18. INDEPENDENT DIRECTORS MEETING**

During the year under review, the Independent Directors met on February 13, 2015, inter alia, to discuss: Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole; Evaluation of the performance of the Chairman of the company. Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the meeting

**19. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

As per Clause 49 of the Listing Agreement entered with the BSE, a separate Report on Management's Discussion and Analysis forms an integral part of this Report.

**20. PARTICULARS OF EMPLOYEES**

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are not applicable to the Company, as the Company has not employed any employees whose salary exceeds the prescribed limits.

**21. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a Vigil Mechanism / Whistle Blower policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism /Whistle Blower policy has been posted on the website of the Company Alka Diamond Industries Limited.

**22. SEXUAL HARASSMENT**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the requirement of formation of a suitable committee as required under the said act.

**23. PARTICULARS REQUIRED UNDER THE LISTING AGREEMENT LISTING**

The Equity Shares of the Company are at present listed with the following Stock Exchanges:-

| | | |
|---|---|---|
| The Ahmedabad Stock Exchange | : | Manek Chowk, Ahmedabad – 380 001 |
| Jaipur Stock Exchange Ltd | : | Malviya Nagar, Jaipur – 302 017 |
| The Bombay Stock Exchange | : | Phiroze Jeejeebhoy Towers, Dalal St., Mumbai |

**24. PAYMENT OF LISTING FEES**

The Company has paid listing fee to the Mumbai Stock Exchange and has not paid listing fee to the Jaipur and Ahmedabad Stock Exchanges.

**25. INFORMATION ON ENERGY CONSERVATION AND FOREIGN EXCHANGE**

There were no foreign exchange earnings or outgo, during the year under review. Hence, the information as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is to be regarded as Nil.

The Company has not entered into any technology transfer agreement

**26. ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation and acknowledgement with gratitude's for the support and assistance to the Company's Bankers, Shareholders and Customers Your Directors place on record their deep sense of appreciation for the devoted services of the executives and staff at all levels of the Company, to the growth & success of the Company.

**BY ORDER OF THE BOARD**

**For ALKA DIAMOND INDUSTRIES LIMITED** **PLACE: - MUMBAI.**

**DATE : - 03.09.2015**

**GOPAL M. VERMA**

**MANAGING DIRECTOR**

**DIN: 01687709**

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY HIGHLIGHTS

Gems and Jewellery have played a very important role in the tradition, culture and history of civilization. The intrinsic value of Jewellery has always attracted people across geographies, cultures and social strata.

Consumer preference and reasons for buying Jewellery started getting segmented into 'fashion', 'bridal' and 'investment'. Over time, an 'industry' evolved, initially concentrated around specific geographies and meeting specific needs, but gradually emerging as a global industry.

Today, the industry is at turning point. It is expected that the interplay of various trends such as globalization, increasing role of regulation, technological advances, increasing consumer sophistication, emergence of alternative retail channels and such. These could potentially change the industry structure and the way it functions in multiple ways.

## MAJOR INDUSTRY COMPONENTS

**Diamonds:** Diamonds have always enjoyed a special place among precious gemstones, contributing about 47 per cent to the total industry size, in value terms. In the past, diamond Jewellery was limited to a very small elite segment of the global population. However over the past 50 years, diamonds have seen increasing democratization. Diamond Jewellery has, therefore, emerged as segment showing significant growth in some of the emerging markets.

**Gold:** Gold has always been the jeweler's favorite metal, given its intrinsic luster and ease of fabrication. Gold Jewellery enjoys the leading position in most markets across the world, and in many ways forms the backbone of the precious Jewellery industry. Given the fact that gold is also one of the traded metals, gold jewellery consumption is also impacted by gold price movements. This segment today forms about 42 per cent of the total industry, in value terms.

**Global Gems & Jewellery Industry**

The global market for gold is estimated at 3300 tones South Africa is the world's largest producer of gold, followed by the USA and Australia. Together, these countries account for 45 per cent of the world's total gold production. India is the largest consumer of gold, followed by the USA AND China.

**The Indian Gems and Jewellery Industry**

The Indian gems and jewellery industry is competitive in the world market due to its low cost of production and availability of skilled labour. In addition, the industry has a worldwide distribution network, which has been established over a period of time for promotion and marketing of Indian diamonds. The Indian diamond industry has acquired leadership position in cutting and polishing of rough diamonds. India is therefore a significant player in the world gems and jewellery market both as a source of processed diamonds as well as a large consuming market.

**Industry Developments**

The two major segments of the sector in India are gold jewellery & diamonds.Gold Jewellery forms around 80 per cent of the Indian jewellery market, with the balance comprising fabricated studded Jewellery that includes diamond studded as well as gemstone studded jewellery. A predominant portion of gold jewellery manufactured in India is consumed in the domestic market.

**Competitive Advantage**

The factors leading to the Indian gems and jewellery industry's growth are many. A near dominance in diamonds and colored stones, manufacturing excellence, forward looking entrepreneurs, liberalized government policies and an extensive international marketing network has helped India establish itself as one of the leading jewellery centers in the world. Moreover, its high consumption of gold, steady inflow of silver and growing interest in platinum enable India to develop the entire range of jewellery, in plain metal and studded, that caters to the desires of every market.

**Outlook**

The future of the industry is quite promising. More and more buyers across the world are turning to India as their preferred source for quality jewellery.

The Gems & Jewellery export Promotion Council (GJEPC) is looking at exploring new markets, such as Latin American countries. The industry also plans to make India a trading center for cut and polished diamonds, and is closely working with the Government of India in this regard. The long term prospects looks good with Jewellery exports alone expected to touch USD 16 billion in 2015 according to industry estimates.

**OPPORTUNITIES AND THREATS**

**Opportunities**

The sentiment in the Indian financial market has changed considerably over the past few years; the economic growth, though subdued for last couple of years, is likely to show positive momentum over the coming years. This has presented ongoing opportunities for financial intermediaries to spread and benefit from the investment culture across the country.

Following factors present specific opportunities across our businesses:

- Growing Corporate activities and related need for fund raising, re-organisation and acquisitions;
- Low penetration of financial services and products in India;
- Globalisation - corporates are looking at expanding in domestic/overseas markets through merger & acquisitions;
- Growing midsize segment of corporate activity where the need for customised solution is particularly high;
- Regulatory reforms including policy framework aiding greater participation by all class of investors;
- Growing Financial Services industry's share of wallet for disposable income;
- Wealth management business is transforming from mere wealth safeguarding to growing wealth;
- Regulatory reforms would aid greater participation by all class of investors;
- Emerging technology to enable best practices and processes;
- Size of the Indian capital market and favourable demographics like huge middle class, relatively large younger population with disposable income and investible surplus and risk taking abilities of the youth.

**Threats**

Volatile Capital markets.

Increasing fiscal deficit.

Intense competition from Indian and multinational investment banks.

High Attrition rate of young, dynamic and experienced Professionals.

**Internal control**

The Company has adequate system of internal controls for business processes with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulation etc. Regular internal audit and checks ensure that responsibilities are executed effectively. The Audit committee of the board of directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvement for strengthening the existing control system in view of changing business needs from time to time.

**Human Resource**

The human resource assets are integral to your Company's ongoing plans and will enable the company to deliver better performance in order to optimize the contribution of the employees to the company's business, several training and development programme at all levels are being conducted. Further, the company is also exploring other avenues to keep the employee morale at the highest level to enable them to optimally utilize their strengths for maximum benefit to your company.

**Risk & Concerns**

Risks are integral aspects of business. Evaluation of risk and its management becomes more important in the global scenario especially when the company is trying to penetrate the global markets. The management of your company consistently analyzes the various risks associated with the business and adopts relevant risk management practices to minimize the adverse impact of these risks both external and internal developments are assessed regularly. Fund raising both in the form of debt syndication, IPO, Rights, FCCB, ECB and other forms is dependent upon government policies, performance of capital markets, and central banks decisions. Also in this era of liquidity crunch and volatile capital markets, there is fair amount of liquidity and financial risk from the clients.

**Cautionary Statement:**

Statement in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

The Company is not under obligation to publicity amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

**BY ORDER OF THE BOARD**
**For ALKA DIAMOND INDUSTRIES LIMITED** **PLACE: - MUMBAI.**
**DATE : - 03.09.2015**

**GOPALM. VERMA**
**MANAGING DIRECTOR**
**DIN: 01687709**

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that good corporate governance is essential to achieve long-term corporate goals and to enhance stakeholder value. There is no one universal model of a corporate governance code. Different environments require specific solutions to meet the demands of legal compliances and regulations. However there is a single thread, which weaves through the tapestry of governance that calls for the affairs of a Company to be controlled and regulated in a manner that is transparent, ethical and accountable. In pursuit of this objective, your Company is committed to achieving transparency in all its dealings, providing high quality products and services to its customers and stakeholders. This places a significant emphasis on integrity, proper internal controls and regulatory compliances, which cannot be compromised. The basic philosophy of Corporate Governance in your Company has been to achieve business excellence, to enhance shareholder value, keeping in view the needs and the interest of all its stakeholders and customers.

## CORPORATE GOVERNANCE GUIDELINES

The board has developed Corporate Governance Guidelines to help fulfill, our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes in place to review and evaluate our operation when required. Further, these guidelines allow the Board to make decisions that are independent of the management. The Board may change these guidelines from time to time to effectively achieve our stated objects.

## BOARD OF DIRECTORS

### A. The constitution of the Board

The Board of Directors ("the Board") of your Company is responsible for and is committed to sound principles of the corporate governance in the Company. The Board plays a crucial role in overseeing how the management serves the interest of the Shareholders and other Stakeholders. This belief is reflected in our governance practice, under which we strive to maintain an effective, informed and independent Board to ensure best practice.

As on 31st March 2015, the Board of Alka Diamond Industries limited. Consists of 5 Directors, four of whom are non-executive. Shri Gopal Manekchand Verma represent the Promoter group. Shri Gopal Manekchand Verma is the Chairman and Managing Director of the Company.

According to Clause 49 of the Listing Agreement if the Chairman is an executive, at least half of the board should consist of non-executive, independent directors, this provision is now met at Alka Diamond Industries Limited. All non-executive directors are persons of eminence, and bring a wide range of expertise and experience to the Board.

As per statutory requirements, at least two third of the Board should consist of retiring directors Of these, one third are liable to retire by rotation every year and if eligible, offers themselves for reappointment subject to consent of members in meeting. Three directors in Alka Diamond Industries Limited. will be retiring directors.

**B. Attendance record of directors**

The Company's Governance Policy, which is in pursuance with the Listing Agreement, is strictly followed by the Board. The Board meets at regular intervals to discuss and decide on Company's business policy along with the other Board business. However, in case of a special and urgent business need, the Board approval is taken by passing resolution by circulation, as permitted by law, which is then confirmed in the ensuing Board Meeting.

The composition of the Board and the attendance record of all the directors at the five Board meetings held during 2014-2015:

| Sr. No. | Name of Director | Designation | Board Meetings Attended |
|---|---|---|---|
| 1 | Gopal M. Verma | Managing Director | 5 |
| 2 | Pankaj Kumar Jain | Director | 4 |
| 3 | Sanat Upadhyay | Director | 3 |
| 4 | Nilesh F.Parmar | Director | 5 |
| 5 | Kiran Lata Ashok Verma | Director | 0 |

The Chairman briefs the Board at every meeting on the overall performance of the Company, followed by presentations by the Executive. The non-executive directors are also given opportunities to express their respective opinions. A detailed report is also placed at every Board Meeting. The Board also reviews:

- Compliance with statutory / regulatory requirements and review of major legal issues.
- Adoption of quarterly / half yearly / annual results.

**C. Outside Directorships and Membership of Board Committees.**

The Number of outside directorships and committee positions held by the directors of Alka Diamond Industries ltd. can be summarized as follows:

| Sr. No. | Name of Director | Listed Companies | Directorship in Unlisted Public Limited Companies | Membership of Board Committees |
|---|---|---|---|---|
| 1 | Gopal M. Verma | NIL | NIL | NIL |
| 2 | Pankaj Kumar Jain | NIL | NIL | NIL |
| 3 | Sanat Upadhyay | NIL | NIL | NIL |
| 4 | Nilesh F. Parmar | NIL | NIL | NIL |
| 5 | Kiran Lata Ashok Verma | NIL | NIL | NIL |

**D. Number of Board meetings held.**

The Board of Director met 5 (Five) times on the following dates: 28th April.,2014, 29th July.,2014, 21st Oct.,2014, 21st Jan.,2015 and 31st March.,2015

**AUDIT COMMITTEE**

**i. Constitution and Composition of the Audit Committee**

With a view to ensure compliance with the various requirements under the Companies Act, 2013 and Clause 49 of the Listing Agreement, Alka Diamond Industries Ltd. has set up its Audit Committee. The Company has been taking measures from time to time to improve the effectiveness of the Committee.

**The Audit Committee consists of four Directors:**

1. Shri Gopal M. Verma
2. Shri Pankaj Kumar Jain
3. Shri Sanat Upadhyay
4. Shri Nilesh F. Parmar

Shri Gopal M. Verma is Chairman of the Committee and all the other members of the audit committee are non-executive directors

**ii. Meetings and Attendance and Topics Discussed.**

During 2014-15, the audit committee met 5 (five) times on the 28th April.,2014, 29th July.,2014, 21st Oct.,2014, 21st Jan.,2015 and 31st March.,2015,The meetings were scheduled well in advance and were attended by the members of the Committee.

**REMUNERATION COMMITTEE**

**i. Constitution and Composition of the Remuneration Committee.**

Alka Diamond Industries Limited has set up its Remuneration Committee to review the remuneration package of the executive directors and for recommending suitable revisions to the Board. It should be noted that the remuneration of the Managing Director and Executive Director is subject to the approval of the Board of Director and members as well as such other approvals as may be required. Besides, approval of the Central Government may also be necessary in certain circumstances. The Company has been taking measures from time to time to improve the effectiveness of the committee. The remuneration committee consists of four Directors:

1. Shri Gopal M. Verma
2. Shri Pankaj Kumar Jain
3. Shri Sanat Upadhyay
4. Shri Nilesh F. Parmar

Shri Gopal M. Verma is the Chairman of the Committee and all the other members of the remuneration committee are non-executive directors

**ii. Meetings and Attendance and Topics Discussed.**

No meeting of remuneration committee was held as there were no significant changes in the existing structure/policy, which was required to be discussed.

**iii. No Remuneration has been paid to Directors**

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE & SHARE TRANSFER COMMITTEE**

**i. Constitution and Composition of the Shareholders/Investors Grievance Committee**

The Shareholders/Investors Grievance Committee was set up with the objective of speedy redressal of investor's queries and complaints. The committee specifically looks into the investor's complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, etc. Inaddition, the committee also looks into matters, which can facilitate better investors services and relations. The Company has been taking measures from time to time to improve the effectiveness of the committee.

The Shareholders/Investors Grievance Committee consists of four directors:

2. Shri Gopal M. Verma
3. Shri Pankaj Kumar Jain
4. Shri Sanat Upadhyay
5. Shri Nilesh F. Parmar

Shri Gopal M. Verma is the Chairman of the Committee, and all the other members of the committee are non-executive directors

**ii. Investors Complaints received and resolved during the Year**

During 2014-15 Trading in the Shares of the Company is in Demate and physical both form. During the year the 1 complaints were received.

**iii. Name, designation and address of the Compliance Officer:**

**Nilesh Parmar** - Compliance Officer

626, Panchratna, M P Road, Opera House, Mumbai – 400004.

## GENERAL BODY MEETINGS

The Company has not passed any resolution through postal ballot during the last year.

## DISCLOSURES

**Related Party Transactions:**

There were no related party transactions, pecuniary transactions made by the Company with its promoters, directors, management and their relatives, etc. that may have potential conflicts with the interest of the Company at large.

**Risk Management:**

The Company has laid down procedures to inform Board members about the risk / assessment and minimization procedures. The Board shall periodically review the same.

**CEO/CFO Certification:**

A certificate received from Shri Gopal M. Verma, Chairman and Managing Director on the financial statements of the Company was placed before the Board.

**Review of Directors' Responsibility Statement:**

The Board in its report have confirmed that the annual accounts for the year ended March 31, 2015 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**Penalties and Structures:**

No penalty or structure was imposed on the Company by any Stock Exchange, SEBI or other authority for non-compliance of any matter related the Capital Market.

## CODE OF CONDUCT

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. The code has been posted on companies' website.

All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

**MEANS OF COMMUNICATION**

a) News, Releases etc: The Company has its own website www.alkadiamond.com and all vital information relating to the company and its performance including Financial Result, performance updates and corporate presentations etc. are regularly posted on the website.

b) Investors Relation: The Company's website contains a separate dedicated section "Investor Relation" where share holders information is available.

**GENERAL SHAREHOLDERS INFORMATION**

**A. Annual General Meeting**

| | | |
|---|---|---|
| 25th Annual Genaral Meeting | : | 30 . 09. 2014 at 10.30 A. M |
| 24th Annual General Meeting | : | 30.09.2013 at 10.30 A.M |
| 23th Annual General Meeting | : | 28.09.2012 at 10.30 A.M |

Place : 626, Panchratna, M P Road, Opera House,
Mumbai – 400004. Maharashtra

**B. Dividend**

No dividend is declared.

**C. Dates of Book Closure**

Information about the Book Closure dates has been provided in the Notice covering the AGM, which forms a part of the Annual Report.

**Audit Qualifications**

Strategic decisions were taken during the year resulting in unqualified financial statements of the Company.

**Training of Board Members**

The Company has not yet adopted any training programme for the members of the Board

**Whistle Blower Policy**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Audit Committee, the Board of Directors, approved and adopted the Whistle Blower Policy. This Policy can be viewed on the Company's website viz. www.hcsl.co.in in the "Corporate Governance" Section.

**D. Share Transfer System and the Scheme of transfer-cum-demat.**

Applications for transfer of shares held in physical form are received at the office of the Company. The Share Transfer Committee attends the share transfer formalities very frequently depending on the number of transfers and Company has appointed Registrar and Share Transfer Agent to Sharex Dynamic (India), Unit – 1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri – Kurla Road, Safed Pool, Andheri - East, Mumbai – 400072 for Share Transfer procedures.

**E. Stock Code**

Bombay Stock Exchange Ltd - 531581

ISIN for Dematerialisation - INE963D01015

1. **Listing of Securities**

The Jaipur Stock Exchange and Ahmedabad Stock Exchange had suspended the trading of equity shares of the Company due to non-compliance with certain formalities.

The listing fees for the financial year 2014-2015 have been paid to The Bombay Stock Exchange Limited. As far as the other stock exchange is concerned, Company has not paid the listing fees to these exchanges.

2. **Market Price & Data**

Following table gives the monthly market high and lows of your Company on the Bombay Stock Exchange Limited, Mumbai.

**Stock price data at BSE**

| Sr. No. | Stock Price Data of BSE (Month wise) | High (Rs) | Low (Rs) |
|---|---|---|---|
| 1 | April 2014 | N. T | N. T |
| 2 | May 2014 | 18.90 | 18.50 |
| 3 | June 2014 | N. T | N. T |
| 4 | July 2014 | 18.20 | 17.30 |
| 5 | August 2014 | N. T | N. T |
| 6 | September 2014 | N. T | N. T |
| 7 | October 2014 | 18.15 | 18.10 |
| 8 | November 2014 | 19.15 | 18.25 |
| 9 | December 2014 | N. T | N. T |
| 10 | January 2015 | 19.00 | 19.00 |
| 11 | February 2015 | N. T | N. T |
| 12 | March 2015 | N. T | N. T |

N. T stands for Not Traded

**F. Address for Correspondence**

Investors and shareholders can correspond with the registered office as well as corporate Address of the company at the following addresses:

**Registered Office:**

626, Panchratna, M P Road, Opera House, Mumbai-400004.

**G. Committees of the Board**

1. Audit Committee
2. Shareholders/Investors Grievance Committee
3. Share Transfer Committee
4. Remuneration Committee

**H. Management Discussion and Analysis Report (MDA)**

The Management Discussion and Analysis Report (MDA) have been attached to the Directors' Report and forms part for this Annual Report.

**I. Warning against Insider Trading**

Comprehensive guidelines advising and cautioning the management staff and other relevant business associates on the procedure to be followed while dealing with the securities of your Companies are in place. In light of the SEBI [Insider Trading] Amendment Regulations, 2002, a fresh set of guidelines is being issued by the company on the subject. The code of conduct and corporate disclosure practices framed by the company will help in ensuring compliance of the amended regulations.

**J. Auditor's Certificate on Corporate Governance**

The Company has obtained the certificate from the auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the Stock Exchange, which also attached herewith. This report is annexed to the Directors' Report for the year 2014-15. This certificate will be sent to the stock exchanges, along with the annual return to be filed by the company.

**BY ORDER OF THE BOARD**

**For ALKA DIAMOND INDUSTRIES LIMITED** **PLACE: - MUMBAI.**

**DATE : - 03.09.2015**

**GOPAL M. VERMA**

**MANAGING DIRECTOR**

**DIN: 01687709**

**Annexure B**

**Form MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

*[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,
**Alka Diamond Industries Limited**
626, Panchratna,
M P Road, Opera House,
Mumbai- 400004.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ALKA DIAMOND INDUSTRIES 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, minute books, forms and returns filed 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 audit period covering the financial year ended on 31st March, 2015 ('Audit Period') 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 have examined the books, papers, minute books, forms and returns filed and other records maintained by Company as given in **ANNEXURE 'A'** for the Financial Year ended on 31st March, 2015 according to the provisions of following applicable laws:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the audit period);**

(v) 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 **(Not Applicable to the Company during audit period);**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading)

Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during audit period);**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable to the Company during audit period;**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during audit period);**

(f) 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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during audit period).**

(vi) There are no other laws as may be applicable specifically in case of the Company on the basis of documents/information produced before us.

We have also examined compliance with the applicable clauses of the following:

i. The Listing Agreements entered into by the Company with Bombay Stock Exchange ("BSE"), Ahmedabad Stock Exchange ("ASE") and Jaipur Stock Exchange ("JSE").

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations as stated in **Annexure 'B'** attached to the report.

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 period under review were carried out in compliance with the provisions of the Act. *However, Mr. Gopal Verma had been appointed as Managing Director without adopting proper procedure and compliance.*

Adequate notice is 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 system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through generally by way of unanimous resolution. However, we have not observed any dissenting members' views in the Minutes Book.

We further report that we rely on statutory auditor's report in relation to the financial Statement and accuracy of financial figures for, Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, Accounting Standard 18 & notes during our audit period and we have not verified the correctness and appropriateness of the books of accounts of the Company.

We further report that there are adequate system 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 audit period there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above refereed laws, rules, regulations, guidelines, standards, etc. as refereed above.

**For Abhishek Lakhotia & Co**.

**(Abhishek Lakhotia)**
M. No. – A29285
CP No.- 10547

**Place: Mumbai**
**Date : *03.09.2015***

**Note**: This report is to be read with our **ANNEXURE 'A'**, **ANNEXURE 'B'** and **ANNEXURE 'C'** of even date which are annexed and forms an integral part of this report.

**'ANNEXURE A'**

Our report of even date is to be read along with the Annexure stating the:

**List of documents verified**

1. Memorandum of Association and Articles of Association;
2. Annual Report for the preceding three Financial Years;
3. Annual Return of Last Annual General Meeting;
4. Quarterly Financial Result for the F.Y. 2014-15;
5. Quarterly Compliance Report on Corporate Governance as prescribed in Listing Agreement;
6. List of Shareholders/Shareholding Pattern & Copy of Shareholding Pattern filed with Stock-Exchange;
7. Policy document approved by the Board/committee in respect of Directors/Independent Directors, Code of Conduct, Nomination and Remuneration of Directors/ Senior Management and Vigil Mechanism
8. Statutory Registers including
   - Register of contracts or arrangements in which directors are interested under Section 189 and Rule 16 of the Companies (Meetings of Board and its Powers) Rules, 2014;
   - Register of Inter-Corporate Investments/Loans/Guarantees/Securities to which Section 186 applies;
   - Register of Directors, Key Managerial Personnel and their shareholding under Section 170 and Rule 17 of the Companies (Appointment and Qualification of Directors) Rules,2014;
   - Register and Index of Members under Section 88 and Rule 3 of the Companies (Management and Administration) Rules,2014;
9. Attendance Register of General Meeting, Board meeting and Committee Meetings;
10. Minutes Book of Board Meeting, Committee Meeting and General Meeting;
11. Agenda papers of all Meetings;
12. Copies of all e-forms and returns filed during the Financial Year 2014-15 filed with ROC with respective receipts/ challans of fees paid.
13. Copies of Form MBP-1 received from all directors under Section 184 at the first meeting of the Board in financial year 2014-15 and during the FY

whenever there was any change in the disclosures already made;

14. Copies of notices of Annual General Meeting/Extraordinary General Meeting and explanatory statement and Newspaper cutting of public notice of annual general meeting/ extraordinary general meeting;

15. Dispatch register of Annual General Meeting/Extraordinary General Meeting notice;

16. Agreement with RTA and RTA report in respect of various matters handled by them on behalf of the company;

17. Director's retirement by rotation table;

18. Details of Director Sitting Fees paid during the Year

19. Copies of all letters sent to and received from the stock exchange on which the

    Company's securities are listed;

20. Copies of all disclosures received by the company under SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
21. Copies of all returns and forms filed with SEBI and stock exchange under SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
22. Copies of shareholding pattern filed with stock exchanges under clause 35 of the listing agreement;
23. Copy of Insider trading code;

24. Declaration received from the independent directors under sub-section (7) of section 149;

25. Compliance records under the Depositories act, 1996 and the regulations framed under the Act;

**For AbhishekLakhotia& Co**.

**(AbhishekLakhotia)**
M.No. – A29285
CP No.- 10547

***Place: Mumbai***
***Date : 03.09.2015***

**ANNEXURE 'B'**

Our report of even date is to be read along with this letter stating the observation made during the Secretarial Audit:

1. *The Company has not appointed internal Auditor as per section 138 of the Companies Act, 2013.*
2. *The Company has not complied with the section 203 and Clause 47 of the listing agreement.*
3. *As per the Rule 12 of (Appointment and Qualification of Directors) Rules, 2014 every individual should intimate the change(s) to the Central government within a period of thirty days of such change(s) in Form DIR-6 (Section 266B of the Companies Act, 1956 Form DIN-4). The same was not informed by Mr. Gopal Verma whose surname was changed to Javda and again back to Verma.*
4. *The Company has not complied with provision of Section 158 of Companies Act, 2013 (Section 266Fof Companies Act, 1956) by not mentioning the DIN of the Director.*
5. *The Ahmedabad Stock Exchange has suspended the company to trade the equity shares on the exchange due to non-compliances with certain formalities w.e.f.13-05-2002 and also the company has not paid listing fees to Ahmedabad and Jaipur Stock Exchange.*
6. *The Company has not complied with the provisions Section 12 of Companies Act, 2013 by not mentioned the name sign board outside the office of the company.*
7. *The Company has not passed the resolution for section 180 and 186 as per various circular issued for the said provisions.*
8. *The Company is not complying with the clause 41 sub-clause (III) & (VI) of Listing Agreement and Section 91 of Companies Act, 2013 read with Rule 10 of (Management and Administration) Rules, 2014.*

**For AbhishekLakhotia& Co**.

**(AbhishekLakhotia)**
M.No. – A29285
CP No.- 10547

***Place: Mumbai***
***Date : 03.09.2015***

**ANNEXURE 'C'**

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 on sample check basis.

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 and other Legal compliances as declared by the Company. The verification was done on test basis 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.

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 procedures on test basis.

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.

**For AbhishekLakhotia& Co**.

**(AbhishekLakhotia)**
M.No. – A29285
CP No.- 10547

***Place: Mumbai***
***Date : 03.09.2015***

**ANNEXURE - B**
**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN As on the FY 2014-15**

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

**1. REGISTRATION AND OTHER DETAILS :**

| | | |
|---|---|---|
| i. | CIN | L36911MH1989PLC053685 |
| ii. | Registration Date | 28.09.1989 |
| iii. | Name of the Company | Alka Diamond Industries Limited |
| iv. | Category/Sub-category of the Company | Company Limited by Shares / Indian Non-Government Company |
| v. | Address of the Registered office, Tel. No. | 626, Panchratna, M P Road, Opera House, Mumbai – 400 004 |
| vi. | Whether listed company | Yes (listed on BSE, JSE AND ASE) |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent | M/s. Sharex Dynamic (India) Private Limited. Luthra Ind Premises, Unit-1, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400 072, Phone: 022 2851 5644 |

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY.**

The business activity of your company is trade in Gems, Apparels and Accessories and also in shares and future and Options (F&O)

**3. PARTICULARS OF HOLDING, SUBSIDAIRY AND ASSOCIATE COMPANIES:**

| Sr. No. | **Name and Address of the Company** | **CIN/GLN** | **Holding/Subsidiary/ Associates/** | **% of shares held** | **Applicable Section** |
|---|---|---|---|---|---|
| 1 | Javda India Impex Ltd | U67120 MH1995 PLC088743 | Holding | 54.821% | 2(46) |

## 4. SHREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Shareholding

| Category of Shareholders | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Demate | Physical | Total | %of total Shares | Demate | Physical | Total | %of total Shares | Changes During the Year |
| **A. Promoters** | | | | | | | | | |
| **i. Indian** | | | | | | | | | |
| a) Individual/Huf | 0 | 345000 | 345000 | 17.09 | 0 | 345000 | 345000 | 17.09 | 0 |
| b)Central/State Gov | | | | | | | | | |
| c)Bodies Corporates | 2664800 | 0 | 2664800 | 54.82 | 2664800 | 0 | 2664800 | 54.82 | 0 |
| d)Fins / Banks | | | | | | | | | |
| e)Any Other specify | | | | | | | | | |
| **Sub Total(A)(1)** | 2664800 | 345000 | **3495800** | **71.91** | 2664800 | 345000 | **3495800** | **71.91** | **0** |
| **ii. Foreign** | | | | | | | | | |
| a) Indv NRI/For Ind | | | | | | | | | |
| b) Bodies Corporate | | | | | | | | | |
| c) Institutions | | | | | | | | | |
| d) Qualified For.Inv. | | | | | | | | | |
| e) Any Other Specify | | | | | | | | | |
| Sub Total(A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Promoter (A1+A2)** | 2664800 | 345000 | **3495800** | **71.91** | 2664800 | 345000 | **3495800** | **71.91** | **0** |
| **B. Public Shareholding** | | | | | | | | | |
| **i. Institutions** | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Fins / Banks | 300 | | 300 | 0.006 | 300 | | 300 | 0.006 | |
| c) Central/State Govt | | | | | | | | | |
| d) Venture Cap Fund | | | | | | | | | |
| e) Insurance Comp(s) | | | | | | | | | |
| f) Foreign Ins Invest | | | | | | | | | |
| g) Foreign Ven Cap In | | | | | | | | | |
| h) Qualified For.Inv. | | | | | | | | | |
| i) Any Other -Specify | | | | | | | | | |
| **Sub-Total (B)(1)** | **300** | **0** | **300** | **0.006** | **300** | **0** | **300** | **0.006** | **0** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **ii. Non Institutions** | | | | | | | | | |
| a)Bodies Corporates | 52458 | 66200 | 118658 | 2.441 | 52458 | 66200 | 118658 | 2.441 | 0 |
| b)Individuals | | | | | | | | | |
| i) upto Rs 1-Lac | 125542 | 628020 | 753562 | 15.503 | 125542 | 628020 | 753562 | 15.503 | 0 |
| ii) above Rs1-Lac | 192700 | 295480 | 488180 | 10.043 | 192700 | 295480 | 488180 | 10.043 | 0 |
| c)Qualified For.Inv. | | | | | | | | | |
| d)Any Other -Clr-Mem | | | | | | | | | |
| e)OCB | | | | | | | | | |
| f)NRI | 0 | 4400 | 4400 | 0.091 | 0 | 4400 | 4400 | 0.091 | 0 |
| Sub-Total (B)(2) | 370700 | 994100 | 1364800 | 28.077 | 677600 | 690600 | 1368200 | 45.59 | 0 |
| TOTAL Public Shareholders (A)+(B) | 1825100 | 712100 | 4860900 | 100 | 1825100 | 712100 | 4860900 | 100 | 0 |
| C. Shae held by Custodian for GDRS and ADRS | | | | | | | | | |
| **Grand total(A+B+C)** | 1825100 | 712100 | 4860900 | 100 | 1825100 | 712100 | 4860900 | 100 | **0** |

**ii.SHAREHOLDING OF PROMOTERS**

| Sr. No. | Share holders Name | shareholding at the beginning of the year | | | shareholding at the end of the year | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of Total shares of the Co. | % of Shares pledged/ encumbered of total shares | No. of Shares | % of Total shares of the Company | % of Shares pledged/ encumbered of total shares | Changes During the Year |
| 1 | ALKA R VERMA | 15000 | 0.309 | 0 | 15000 | 0.309 | 0` | |
| 2 | GYANA R VERMA | 214800 | 4.419 | 0 | 214800 | 4.419 | 0 | |
| 3 | J P VERMA | 2000 | 0.041 | 0 | 2000 | 0.041 | 0 | |
| 4 | JAGDISH M VERMA | 219000 | 4.505 | 0 | 219000 | 4.505 | 0 | |
| 5 | JAVDA INDIA IMPEX LTD | 2664800 | 54.821 | 0 | 2664800 | 54.821 | 0 | |
| 6 | K.S.VERMA | 10000 | 0.206 | 0 | 10000 | 0.206 | 0 | |
| 7 | KALPANA R VERMA | 31500 | 0.648 | 0 | 31500 | 0.648 | 0 | |
| 8 | KAMALA R VERMA | 1600 | 0.033 | 0 | 1600 | 0.033 | 0 | |
| 9 | KAMALA R VERMA | 45000 | 0.926 | 0 | 45000 | 0.926 | 0 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 10 | NEELKAMAL J VERMA | 9800 | 0.202 | 0 | 9800 | 0.202 | 0 | |
| 11 | RAJENDRA M VERMA | 4500 | 0.093 | 0 | 4500 | 0.093 | 0 | |
| 12 | RAJKUMAR J VERMA | 2000 | 0.041 | 0 | 2000 | 0.041 | 0 | |
| 13 | SAMPAT J VERMA | 1500 | 0.031 | 0 | 1500 | 0.031 | 0 | |
| 14 | SAMPAT J VERMA | 45000 | 0.926 | 0 | 45000 | 0.926 | 0 | |
| 15 | SAVITA P VERMA | 1300 | 0.027 | 0 | 1300 | 0.027 | 0 | |
| 16 | SHALINI J VERMA | 55000 | 1.131 | 0 | 55000 | 1.131 | 0 | |
| 17 | SHOBHA G VERMA | 31300 | 0.644 | 0 | 31300 | 0.644 | 0 | |
| 18 | SUBHASH B SONI | 14500 | 0.298 | 0 | 14500 | 0.298 | 0 | |
| 19 | SURENDRA VERMA | 52500 | 1.080 | 0 | 52500 | 1.080 | 0 | |
| 20 | VASUDEV B VERMA | 54600 | 1.123 | 0 | 54600 | 1.123 | 0 | |
| 21 | VITHAL D PARTE | 20100 | 0.414 | 0 | 20100 | 0.414 | 0 | |
| | **TOTAL** | **3495800** | **71.917** | **0** | **3495800** | **71.917** | **0** | |

**iii.CHANGE IN PROMOTERS SHAREHOLDING: NIL**

| Sr. No. | Particulars | Shareholding during the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. Shares | % of total shares of the Company | No. Shares | % of total shares of the Company |
| | | | NIL | | |

**iv. SHARE HOLDING PATTERN OF TOP TEN HOLDERS**

(Other than Directors, Promoters and holders of GDRS & ADRS)

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Changes in Shareholding | | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|---|
| | | No. Shares | % of total share Capital | Increase | Decrease | No. Shares | % of total share Capital |
| 1 | ANAND B SEN | 50100 | 1.031 | - | - | 50100 | 1.031 |
| 2 | SHANTA JADAVJI CHHEDA | 75000 | 1.543 | - | - | 75000 | 1.543 |

**v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Changes in Shareholding | | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|---|
| | | No. Shares | % of total share Capital | Increase | Decrease | No. Shares | % of total share Capital |
| | | | | | | | |
| | | | | | | | |

**5. INDEBTEDNESS**

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

| PARTICULARS | SECURED LOANS EXCLUDING DEPOSITS | UNSECURED LOANS | DEPOSITS | TOTAL INDEBTEDNESS |
|---|---|---|---|---|
| ---------- NIL ---------- | | | | |

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**a. Remuneration to Managing Director, Whole time Directors and/or Manager**

| Sl. No. | Particulars Of Remuneration | Name Of MD | Total Amount |
|---|---|---|---|
| 1 | Gross salary<br>(a) Salary as per provisions contained in Section 17(1)<br>of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act,<br>1961<br>(c) Profits in lieu of salary<br>under Section 17(3) Income- tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Stock Option | - | - |
| 4 | Commission<br>- as % of profit<br>- others, specify... | - | - |
| 5 | Others, please specify – | - | - |
| 6 | Total (A) | - | - |
| | Ceiling as per the Act | - | - |

**b. Remuneration to other Directors**

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| 1 | 1. Independent Directors | - | - | - | - | - |
| 2 | • Fee for attending board / committee meetings | - | - | - | - | - |
| 3 | • Commission | - | - | - | - | - |
| 4 | • Others, please specify | - | - | - | - | - |
| 5 | Total (1) | - | - | - | - | - |
| 6 | 2. Other Non-Executive Directors | - | - | - | - | - |
| 7 | • Fee for attending board / committee meetings | - | - | - | - | - |
| 8 | • Commission | - | - | - | - | - |
| 9 | • Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - | - |

**c. Remuneration to key managerial personnel other than MD/MANAGER/WTD**

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel |
|---|---|---|
| **1** | Gross salary | - |
| **2** | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - |
| **3** | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - |
| **4** | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - |
| **5** | Stock Option (nos) | - |
| **6** | Sweat Equity | - |
| **7** | Commission<br>- as % of profit<br>- others, specify… | - |
| **8** | Others | - |
| | Total | - |

**7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

| **Type** | **Sections of the Companies Act** | **Brief Description** | **Penalty / Punishment/ Compounding fees imposed Authority** | **Authority RD/ NCLT/ COURT** | **if any (give Details) A. COMPANY** |
|---|---|---|---|---|---|
| **A.COMPANY** | _ | _ | _ | _ | _ |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. Directors** | _ | _ | _ | _ | _ |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFULT** | _ | _ | _ | _ | _ |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**BY ORDER OF THE BOARD**

**For ALKA DIAMOND INDUSTRIES LIMITED.** **PLACE: - MUMBAI.**

**DATE : - 03.09.2015**

**GOPAL M. VERMA**

**MANAGING DIRECTOR**

**DIN: 01687709**

## CODE OF CONDUCT DECLARATION

**ANNUAL DECLERATION BY CEO PURSUANT TO CLAUSE 49(1) (D) (II) OF LISTING AGREEMENT**

To,
The Members of the
**Alka Diamond Industries Limited**

As the chief executive officer of Alka Diamond Industries Limited and as required by clause 49(1) (D) (ii) of the Listing Agreement, I hereby declare that all the Board Members and Senior Management Personnel of the company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for the F. Y. 2014-15.

**Date : 03.09.2015**
**Place: Mumbai**

**Gopal M. Verma**
**(Managing Director)**
**DIN: 01687709**

**Managing director/Chief Executive Officer/ Chief Financial Officer Certification**

To,
The Board of Directors,
**Alka Diamond Industries Limited**

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of our knowledge and belief.

1. These Statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

3. To the best of our knowledge and belief, no transactions entered in to by the Company during the year ended March 31, 2015 which are fraudulent, illegal or violative of the Company's Code of Conduct.

4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the company and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and steps we have taken or propose to taken to rectify these deficiencies.

5. We further certify that we have indicated to the Auditors and the Audit Committee:

   a) There have been no significant changes in internal control system 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 the financial statements; and

   c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

**For Alka Diamond Industries Limited**

**Place: Mumbai**
**Date: 03.09.2015**

**Gopal M. Verma**
**(Managing Director)**
**DIN: 01687709**

**AUDITOR`S CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)**

To,
The Board of Directors,
**Alka Diamond Industries Limited**

We have examined the compliance of conditions of Corporate Governance by **Alka Diamond Industries Limited** for the year ended on 31st march 2015 as stipulated in clause 49 of Listing Agreement of the said company with Stock Exchanges.

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 Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following:

The company has not laid down procedures to inform the board members about risk management and minimization requirements. We certify that the company has complied with the conditions of corporate Governance as stipulated in the above-mentioned Listing Agreement.

We 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 and on behalf of**
**K.K. Jhunjhunwala & Co.**
**Chartered Accountants**
**F. R. No. 111852W**

**Place: Mumbai**
**Date: 31.08.2015**

**K.K. Jhunjhunwala**
**(Partner)**
**Membership No. 045154**

# INDEPENDENT AUDITORS REPORT

To,
The Board of Directors,
**Alka Diamond Industries Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statement of **ALKA DIAMOND INDUSTRIES LIMITED ("the company"),** which comprise the Balance Sheet as at **31ST MARCH 2015** and the statement of Profit & Loss Account and the cash flow statement of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statement.**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance 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.

**Auditor's 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.

**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, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

**Report on other Legal and regulatory Requirements.**

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, we give in the Annexure 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 repot 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 have been kept by the Company so far as it appears from our examination of those books;

    c. The balance sheet and the statement of profit and loss 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 as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

f. 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 disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For and on behalf of**
**K.K. Jhunjhunwala & Co.**
**Chartered Accountants**
**F. R. No. 111852W**

**Place: Mumbai**
**Date: 31.08.2015**

**K.K. Jhunjhunwala**
**(Partner)**
**Membership No. 045154**

## ANNEXURE TO THE AUDITOR'S REPORT

**Re: ALKA DIAMOND INDUSTRIES LIMITED.**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that :

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(ii) In our opinion and according to the information and explanations given to us, the Company has not hold any inventory during the year. Therefore, the provisions of Clause 3(ii) of the said order are not applicable to the company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

(v) In our opinion and according to the information and explanation given to us, The Company has not accepted any deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

(vi) The provisions of clause 3 (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rule 2014.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a 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 of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

(viii) The Company does have accumulated losses at the end of the financial year and has also incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

(x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The Company did not have any term loans outstanding during the year.

(xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For and on behalf of**
**K.K. Jhunjhunwala & Co.**
**Chartered Accountants**
**F. R. No. 111852W**

**Place: Mumbai**
**Date: 31.08.2015**

**K.K. Jhunjhunwala**
**(Partner)**
**Membership No. 045154**

**BALANCE SHEET AS ON 31ST MARCH 2015**

| PARTICULARS | NOTE NO. | *AS ON 31.03.2015* | AS ON 31.03.2014 |
|---|---|---|---|
| I. EQUITY & LIABILITIES | | | |
| 1. Shareholders Fund | | | |
| (a) Share Capital | 2 | ***46,755,500*** | 46,755,500 |
| (b) Reserve & Surplus | 3 | ***40,145,583*** | 40,159,862 |
| (c) Money received against share warrant | | | |
| 2. Share Application Money Pending Allotment | | - | - |
| 3. Non-Current Liabilities | | | |
| (a) Long-term borrowings | 4 | ***20,000,000*** | 20,000,000 |
| (b) Other long term Liabilities | | | |
| 4. Current Liabilities | | | |
| (a) Short -term borrowings | | | |
| (b) Trade Payables | 5 | ***11,833,492*** | 11,833,492 |
| (c) Other current Liabilities | | | |
| (d) Deferred Tax Liability (Net) | | ***499*** | 751 |
| (e) Short-term provisions | 6 | ***1,077,747*** | 1,037,847 |
| TOTAL | | ***119,812,821*** | 119,787,452 |
| II. ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Fixed assets | | | |
| i) Tangible Assets | 7 | ***1,616*** | 2,433 |
| ii) Intangible Assets | | | |
| iii) Capital Work-In-Progress | | | |
| iv) Intangible assets under development | | | |
| (b) Non-current Investments : | | ***5,456,186*** | *5,456,186* |
| (c) Deferred tax assets(net) | | | |
| (d) Long-term loans & advances | | | |
| (e) Other non-current assets | | | |
| 2. Current Assets | | | |
| (a) Current Investment | | | |
| (b) Inventories | | | |
| (c) Trade Receivables | 8 | ***81,509,362*** | 81,399,362 |
| (d) Cash & Cash Equivalents | 9 | ***2,030,803*** | 2,108,549 |
| (e) Short-term Loans & Advances | 10 | ***30,814,853*** | 30,820,921 |
| (f) Other current assets | | | |
| TOTAL | | ***119,812,821*** | 119,787,452 |
| Significant Accounting Policies | 1 | | |
| Notes to Account | 13 | | |

**The accompanying Notes form an integral part of the financial statements**

**For And On Behalf Of The Board**
**For Alka Diamond Industries Limited.**

**Director** **Director**

**Director**

**Place: - Mumbai**
**Date : - 03.09.2015**

**As Per Our Report On Even Date Attached**
**FOR K.K. JHUNJHUNWALA & Co.**
**CHARTERED ACCOUNTANTS**
**Firms. Reg. No. 111852w**

**K.K. JHUNJHUNWALA**
**(PARTNER)**
**Membership No. 045154**

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015.**

| PARTICULARS | NOTE NO. | *YEAR ENDED 31.03.2015* | YEAR ENDED 31.03.2014 |
|---|---|---|---|
| 1. Revenue from Operation | | - | - |
| 2. Other Income | 11 | ***877,507*** | ***(3,152,709)*** |
| 3. Total Revenue ( 1 + 2 ) | | ***877,507*** | (3,152,709) |
| 4. Expenses | | | |
| Purchase | | - | - |
| Change in Inventories | | - | - |
| Employee Benefit Expenses | | ***395,000*** | - |
| Finance Cost | | - | - |
| Depreciation | | ***817*** | 1,305 |
| Other expenses | 12 | ***496,221*** | 932,950 |
| Total Expenses | | ***892,038*** | 934,255 |
| 5. Profit/(Loss) before tax ( 3 - 4 ) | | ***(14,531)*** | (4,086,964) |
| 6. Tax Expenses | | | |
| Current Tax expense for current year | | - | - |
| Current Tax expense relating to prior years | | | *534,630* |
| Deferred tax credit ( Net ) | | ***(252)*** | *(401)* |
| Profit/(Loss) for the year | | ***(14,279)*** | (4,621,193) |
| 7. Earnings per Equity Share | | | |
| - Basic | | ***N.A.*** | N.A |
| - Diluted | | ***N.A.*** | N.A |
| - Face value per Equity Share | | ***10*** | 10 |
| Significant Accounting Policies | 1 | | |
| Notes to Account | 13 | | |

**The accompanying Notes form an integral part of the financial statements**

**For And On Behalf Of The Board**
**For Alka Diamond Industries Limited.**

**As Per Our Report On Even Date Attached**
**FOR K.K. JHUNJHUNWALA & Co.**
**CHARTERED ACCOUNTANTS**
**Firms. Reg. No. 111852w**

**Director** **Director**

**Director**

**K.K. JHUNJHUNWALA**
**(PARTNER)**
**Membership No. 045154**

**Place: - Mumbai**
**Date : - 03.09.2015**

**CASH FLOW STATEMENT FROM 01.04.2014 TO 31.03.2015**
**INDIRECT METHOD**

| Particulars | year ended 31.03.2015 | year ended 31.03.2014 |
|---|---|---|
| **A. Cash Flow from Operating Services** | | |
| Profit before taxation | (14,531) | (4,086,964) |
| Adjustment for: | | |
| Depreciation on Fixed Assets | 817 | 1,305 |
| Loss on sale of Fixed Assets | - | - |
| Interest Paid | - | - |
| **Operating Profit Before Working Capital Changes** | **(13,714)** | **(4085659)** |
| Adjustment for: | | |
| (Increase)/Decrease Short Term Loans and Advances | 6,068 | 10,999,018 |
| (Increase)/Decrease in Long Term Loans and Advances | - | - |
| Increase/(Decrease) in Trade Payable | - | (1,807,000) |
| Increase/(Decrease) in Other Current Liabilities | - | |
| Increase/(Decrease) in Short Term Provisions | 39,900 | (548,573) |
| (Increase)/Decrease in Trade Receivable | (110,000) | (11,925,750) |
| Increase/(Decrease) in Long Term Provisions | - | |
| (Increase)/Decrease in Non- Current Investments | - | 6,824,469 |
| (Increase)/Decrease in Current Investments | - | - |
| **CASH GENERATED FROM OPERATIONS** | **(64,032)** | **3,542,164** |
| Income tax Paid | - | - |
| **NET CASH FLOW FROM/(USED IN ) OPERATING ACTIVITIES (A)** | **(77,746)** | **(543,494.91)** |
| **B. Cash Flow from Operating Services** | | |
| Sale of Fixed Assets | - | - |
| Shares received against Share Application Money | - | - |
| **NET CASH FLOW USED IN INVESTING ACTIVITIES (B)** | - | - |
| **C. Cash Flow from Operating Services** | | |
| Proceeds / (Repayment) of Short Term Borrowings | - | 2,000,000.00 |
| Interest | - | |
| Dividend and Taxes Paid thereon | - | (308,623) |
| **NET CASH FLOW FROM FINANCING ACTIVITIES (C)** | - | 1,691,377 |
| **NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | (77,746) | 1,147,882 |
| **ADD : OPENING CASH AND CASH EQUIVALENTS** | 2,108,549 | 960,667 |
| **CLOSING CASH AND CASH EQUIVALENTS** | 2,030,803 | 2,108,549 |

**For And On Behalf Of The Board**
**For Alka Diamond Industries Limited.**

**As Per Our Report On Even Date Attached**
**FOR K.K. JHUNJHUNWALA & Co.**
**CHARTERED ACCOUNTANTS**
**Firms. Reg. No. 111852w**

**Director** **Director**

**Director**

**K.K. JHUNJHUNWALA**
**(PARTNER)**
**Membership No. 045154**

**Place: - Mumbai**
**Date : - 03.09.2015**

## NOTES TO THE FORMING PART OF THE FINANCIAL STATEMENTS

## NOTE NO. 1 SIGNIFICANT ACCOUNTING POLICIES

1. **Corporate Information :-**

   **ALKA DIAMOND INDUSTRIES LIMITED** (The Company) was incorporated under the provision of Companies Act 1956 on 28th day of September 1989.

2. **Basis of Preparation of Financial Statement:-**

   The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the relevant provisions of the Companies Act 2013.

   The financial statements are prepared on accrual basis and under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

3. **Use of Estimates:**

   The preparation of financial statements are in conformity with generally accepted accounting principles requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of the financial Statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are materialized.

4. **Revenue Recognition:-**

   The company follows the accrual basis of accounting except in the following cases, where the same are recorded on the basis of realization or ascertainment of rights and obligations

   a. Insurance claims
   b. Payment of bonus and leave salary
   c. Gratuity

5. **Fixed Assets**

   Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use

**6. Depreciation:**

Depreciation on Fixed Assets is provided on Written Down Value (W.D.V.) Method in accordance with the Schedule XIV of the Companies Act, 1956.

**7. Inventories:**

This is not applicable for your company.

**8. Impairment of fixed Assets**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

**9. Investments**

Investments are stated at cost of acquisition.

**10. Prior Period Items:**

Material amount of Income and expenditure pertaining to prior years are disclosed separately.

11. **Contingencies and events occurring after the date of Balance Sheet: - NIL**

**NOTES TO THE FINANCIAL STATEMENT**

**NOTE 2 :- SHARE CAPITAL**

A. Details of authorised, issued and subscribed share capital

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| Authorised | | |
| 55,00,000 (Previous Year 55,00,000) Equity Shares of Rs. 10/- each | ***55,000,000*** | 55,000,000 |
| | ***55,000,000*** | 55,000,000 |
| Subscribed & paid up | | |
| 48,60,900 (Previous Year 48,60,900) Equity Shares of Rs. 10/- each | ***48,609,000*** | 48,609,000 |
| Less :- Allotment Money due on 377200 Equity Shares @5/- each | ***1,853,500*** | *1,853,500* |
| TOTAL :- | ***46,755,500*** | 46,755,500 |

B. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| No. of shares at the beginning of the year | ***4,860,900*** | 4,860,900 |
| Fresh Issue | - | - |
| Bonus Issue | - | - |
| Conversion of Securities/Debts/ESOSs/ESPPs | - | - |
| Buyback | - | - |
| Other changes | - | - |
| No. of shares at the end of the year | ***4,860,900*** | 4,860,900 |

C. Details of Shareholders holding more than 5% shares:

| NAME OF SHAREHOLDER | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| Javda India Impex Limited | ***2,664,800*** ***55%*** | 2,664,800 55% |

**NOTES TO THE FINANCIAL STATEMENT**

**NOTE 3 :- RESERVES & SURPLUS :-**

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| I. General Reserve | | |
| Opening Balance | ***41,905,951*** | 41,905,951 |
| Add : Transferred (To)/ From | - | - |
| Closing Balance ( I ) | ***41,905,951*** | 41,905,951 |
| II. Surplus in the Statement of Profit & Loss Account | | |
| Opening Balance | ***(1,746,089)*** | 2,875,104 |
| Add : Transferred from P & L A/c | ***(14,279)*** | (4,621,193) |
| Closing Balance ( II ) | ***(1,760,368)*** | (1,746,089) |
| Total ( I + II ) | ***40,145,583*** | ***40,159,862*** |

**NOTE 4 :- LONG-TERM BORROWINGS :-**

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| From Corporates | *20,000,000* | *20,000,000* |
| TOTAL :- | ***20,000,000*** | 20,000,000 |

**NOTE 5 :- TRADE PAYABLES**

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| Creditors for Goods | ***11,833,492*** | 11,833,492 |
| TOTAL :- | ***11,833,492*** | 11,833,492 |

## NOTES TO THE FINANCIAL STATEMENT

### NOTE 6 :- SHORT TERM PROVISIONS

| PARTICULARS | AS AT 31.03.2015 | AS AT 31.03.2014 |
|---|---|---|
| Audit Fees Payable | **39,900** | 39,326 |
| Sales Tax/VAT Payable | **153,464** | 153,464 |
| TDS Payable (Earlier years) | **20,057** | 20,057 |
| Others | **864,326** | 825,000 |
| TOTAL :- | **1,077,747** | 1,037,847 |

**NOTE 7 :- FIXED ASSETS**

| DESCRIPTION OF ASSETS | RATE OF DEP. % | GROSS BLOCK AS AT 01.04.14 (Rs.) | ADD (DISL) (Rs.) | AS AT 31.03.15 (Rs.) | ACCUMULATED DEPRECIATION AS AT 01.04.14 (Rs.) | FOR THE YEAR (Rs.) | ON DISL | AS AT 31.03.15 (Rs.) | NET BLOCK AS AT 31.03.15 (Rs.) | AS AT 31.03.14 (Rs.) |
|---|---|---|---|---|---|---|---|---|---|---|
| I. TANGIBLE ASSETS | | | | | | | | | | |
| Safe | 18.10 % | 45,870 | - | 45,870 | 45,158 | 129 | - | 45,287 | 583 | 712 |
| Office Equipments | 40.00 % | 49,147 | - | 49,147 | 48,125 | 409 | - | 48,534 | 613 | 1,022 |
| Computer | 40.00 % | 101,070 | - | 101,070 | 100,666 | 162 | - | 100,828 | 242 | 404 |
| Camera | 40.00 % | 11,000 | - | 11,000 | 10,951 | 20 | - | 10,971 | 29 | 49 |
| II. INTANGIBLE ASSETS | | | | | | | | | | |
| Software | 40.00 % | 11,232 | - | 11,232 | 10,986 | 98 | - | 11,084 | 148 | 246 |
| **GRAND TOTAL AS ON 31.3.2015** | | 218,319 | - | **218,319** | 215,886 | **817** | - | 216,703 | **1,616** | **2,433** |
| **GRAND TOTAL AS ON 31.3.2014** | | **218,319** | - | 218,319 | 214,581 | **1,305** | - | 215,886 | 2,433 | 3,738 |

## NOTES TO THE FINANCIAL STATEMENT

### NOTE 8 :- TRADE RECEIVABLES

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| Aggregate amount of trade receivables for a period exceeding six months | 81,509,362 | 81,399,362 |
| Others | - | - |
| TOTAL :- | ***1,509,362*** | 81,399,362 |

### NOTE 9 :- CASH & CASH EQUIVALENTS

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| Cash on hand | ***1,952,858*** | *2,050,982* |
| Balances with Current Accounts | | |
| Axis Bank Ltd | ***72,141*** | *51,764* |
| Union Bank of India | ***5,804*** | *5,804* |
| TOTAL :- | ***2,030,803*** | 2,108,549 |

### NOTE 10 :-SHORT TERM LOANS & ADVANCES

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| Inter Corporate Deposits (ICD) | ***30,500,000*** | 30,500,000 |
| Advances & Deposits | ***6,230*** | 12,298 |
| Income Tax | ***308,623*** | 308,623 |
| TOTAL :- | ***30,814,853*** | 30,820,921 |

### NOTE 11 :- OTHER INCOME

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| Capital Gain / (Loss) | ***877,507*** | *(3,269,750)* |
| Interest Income | | *117,041* |
| TOTAL :- | ***877,507*** | (3,152,709) |

**NOTES TO THE FINANCIAL STATEMENT**

**NOTE 12 :- OTHER EXPENSES**

| PARTICULARS | *AS AT 31.03.2015* | AS AT 31.03.2014 |
|---|---|---|
| Audit Fees | ***39,900*** | 39,326 |
| Bank Charges | ***202*** | 3,371 |
| Books & Perodicals | ***5,850*** | 4,250 |
| Conveyance Expneses | ***15,312*** | 12,010 |
| Director's Remuneration | ***0*** | 560,000 |
| Demate Charges | ***0*** | 7,438 |
| Electricity exp. | ***6,124*** | 5,491 |
| Filing Fees | ***9,600*** | 1,500 |
| General Expenses | ***17,810*** | 5,420 |
| Legal & Professional Fees | ***9,551*** | 6,781 |
| Listing Fees | ***152,809*** | 6,741 |
| Office Expenses | ***7,938*** | 4,134 |
| Printing & Stationery | ***6,328*** | 4,745 |
| Postage & Courier Exp. | ***2,335*** | 1,549 |
| RTA Expenses | ***52,825*** | 45,515 |
| Rent | ***160,000*** | 216,000 |
| Telephone Expenses | ***9,637*** | 8,679 |
| TOTAL :- | ***496,221*** | 932,950 |

**NOTE NO. 13 NOTES FORMING PART OF THE FINANCIAL STATEMENTS: -**

**i. Payment to Auditors :-**

| | | As at 31.03.2015 (Rs.) | As at 31.03.2014 (Rs.) |
|---|---|---|---|
| a) | Audit Fees | 39,900 | 39,326 |
| b) | Tax Audit Fees | NIL | NIL |
| c) | Certification and Taxation matter | NIL | NIL |
| | | --- | --- |
| | | 39,900 | 39,326 |
| | | ========= | ========= |

**ii. Managerial Remuneration: -**

| | | |
|---|---|---|
| Director Salary | NIL | 5,60,000 |
| Director Sitting Fees | NIL | NIL |
| | --- | --- |
| | NIL | 5,60,000 |
| | ========= | ========= |

| | | | |
|---|---|---|---|
| **iii.** | **Contingent Liabilities** | NIL | NIL |
| **iv.** | **Earnings Per Share (As per AS – 20)** | NIL | NIL |

**v. Taxes on Income**

In terms of Accounting Standard 22 on "Accounting for Taxes on Income" as notified by the Companies (accounting standard) Rules, 2006 the Company has recognized Deferred Tax Assets Rs. NIL**/-** for the year ended 31st March, 2015 in the Profit & Loss A/c.

The accumulated balance in Net Deferred Tax Liability/ (Assets) comprises of:-

| **Particulars** | **Deferred Tax Liability/ (Asset) as at 1st April 14 (Rs.)** | **Current Year change (Rs.)** | **Deferred Tax Liability/ (Asset) as at 31st March 15 (Rs.)** |
|---|---|---|---|
| **Deferred Tax Liability/ (Assets) (Net)** | **751** | **252** | **499** |

**vi. Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit and Loss**

- Foreign Exchange Earnings & Outgo : **NIL**

| **Particulars** | **2014 – 2015 (Amt. In Rs.)** | **2013 – 2014 (Amt. In Rs.)** |
|---|---|---|
| Earning and Expenditure in Foreign currency | Nil | Nil |

vi. No Dividend declared in the current year.

**viii. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT, 2006)**

As required to be disclosed under Micro, Small & Medium Enterprises Development Act, 2006 and to the extent such parties are identified on the basis of information available with the Company, there are no Micro enterprises or Small Scale enterprises to whom the Company owes any due which are outstanding for more than 45 days as at 31st March 2015.

ix. In the opinion of the board any of the current assets, Loan and Advances etc. have value on realization in ordinary course of business at least equal to the amounts at which they are stated.

**x.** Previous year's figures have been regrouped, rearranged and recast wherever found necessary.

**xi.** Books of Accounts of the Company have been prepared on the basis of details of Corporate Office branch only. Head office (Jaipur) accounts Details were not available with the directors of the company, Hence Head office Account balance has been shown as per last audited statements.

**xii**. The Accumulated Losses of the company as at end of the financial year have resulted in erosion of more than fifty per cent of its net worth.

**SIGNATURE TO NOTES 1 TO 13**

**For And On Behalf Of The Board**
**For Alka Diamond Industries Limited.**

**As Per Our Report On Even Date Attached**
**FOR K.K. JHUNJHUNWALA & Co.**
**CHARTERED ACCOUNTANTS**
**Firms. Reg. No. 111852w**

**Director** **Director**

**Director**

**K.K. JHUNJHUNWALA**
**(PARTNER)**
**Membership No. 045154**

**Place: - Mumbai**
**Date : - 03.09.2015**

**Dear Shareholders,**

*Sub.: Green Initiative – Registration of E-mail Address*

This is to inform that as a part of "Green Initiative in the Corporate Governance", the Ministry of Corporate Affairs (MCA) vide its circular nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively; has permitted the Companies to serve the documents viz. Annual Reports, Notices of General Meetings / Postal Ballot, other documents etc. to the Members through the electronic mode.

In order to support this "Green Initiative", we are pleased to serve you the above referred documents and also any other documents as specified by MCA from time to time through the electronic mode. This will also ensure prompt receipt of communication and avoid loss in postal transit.

We therefore request you to register your e-mail address and / or changes therein from time to time with the Company's Registrar & Transfer Agent (R & T Agent) viz. Sharex Dynamic (India) Private Limited at Unit 1, Luthra Industrial Premises, 1st Floor, 44-E, M Vasant Marg, Andheri Kurla Road, Andheri (East), Mumbai-400 072, in case you are holding shares in physical mode by filling up the form appearing on reverse of this communication and with your Depository Participant (DP), in case you are holding shares in dematerialised mode.

In case you require physical copies of Annual Reports and other documents, you may send an email at Alkadiamond@rediffmail.com or write to the Company's R & T Agent by quoting the name of first/sole shareholder, Folio No./DP ID and Client ID. The above documents will be sent to you free of cost.

We request your wholehearted support to this "Green Initiative" by opting the electronic mode of communication for its successful implementation.

Thanking you and assuring you of our best attention at all times.

**By Order Of The Board**
**For Alka Diamond Industries Limited**

**Place: - Mumbai.**
**Date : - 03.09.2015**

**Gopal M. Verma**
**Chairman & Managing Director**
**Din: 01687709**

**REGISTRATION OF E-MAIL ADDRESS FORM**

(In terms of Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively issued by Ministry of Corporate Affairs)

Sharex Dynamic (India) Private Limited
Unit 1, Luthra Industrial Premises, 1st Floor,
44-E, M Vasant Marg, Andheri Kurla Road,
Andheri (East), Mumbai-400 072.

I/We Shareholder(s) of Alka Diamond Industries Limited hereby accord my/our approval to receive documents viz. Annual Reports, Notices of General Meeting /Postal Ballot and such other documents that Ministry of Corporate Affairs may allow, to be sent in the electronic mode. I/We request you to note my/our latest email address, as mentioned below. If there is any change in the e-mail address. I/We will promptly communicate the same to you. I/We attach the self attested copy of PAN Card / Passport towards identification proof for the purpose of verification.

| | |
|---|---|
| Folio No. | |
| Name of the First/Sole Shareholder | |
| Name of the Joint Shareholder(s) if any | |
| Registered Address | |
| E-mail Address (to be registered) | |

Place:
Date:

_____
(Signature of Shareholder/s)

For Shares in dematerialized mode you are requested to register your E-mail address and/or changes therein from time to time with your Depository Participant.

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the venue.

Folio No./Client ID No. .....

No. of Shares held .....

Name & Address .....

.....

.....

Jointly with .....

Full name of the Proxy .....
If attending meeting

I hereby record my presence at the 26st Annual General Meeting of the Company at **626, PANCHRATNA, M P ROAD, OPERA HOUSE, MUMBAI – 400 004**, Maharashtra. to be held at 10.30 a.m. on Wednesday the 30th Sept, 2015.

.....
Signature of Member/Joint
Member/Proxy attending the meeting

Note: The practice of distributing copies of Annual Report at the Annual General Meeting has been discontinued. Members attending the meeting are requested to bring their copies of Annual Report with them.

**FORM NO. MGT.11**
**PROXY FORM**

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 **ALKA DIAMOND INDUSTRIES LIMITED**, hereby appoint:

1. ..... of .....having e-mail id ..... or failing him

2. ..... of .....having e-mail id ..... or failing him

3. ..... of .....having e-mail id ..... or failing him

as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 21ST Annual General Meeting of the company, to be held on Wednesday, the 30th day of September, 2015 at 10:30 a.m. at Registered Office and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

| No. | Resolutions | For | Against |
|---|---|---|---|
| 1 | To consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the FY ended 31st March, 2015, the Reports of the Board of Directors and Auditors thereon. | | |
| 2 | To appoint a Director in place of Mr. Gopal M. Verma (DIN: 01687709), who retires by rotation and, being eligible, offers himself for re-appointment. | | |
| 3 | To appoint M/s. K. K. Jhunjhunwala & Co., Chartered Accountants, Mumbai (Firm Registration No. 111852W) as statutory auditors of the Company to hold office from the conclusion of ensuing meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors. | | |
| 4 | To appoint Mrs. Kiranlata A. Verma as an Non-Executive Director (Woman Director) | | |

Affix a Re. 1/- Revenue Stamp

.....
Signature of shareholder / Proxy

Signed this ..... day of.....2015

NOTES:

ii. 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.

iii. ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

iv. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

v. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.