

Annual Report
2011-2012



**Goldiam
International
Limited**

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

BOARD OF DIRECTORS

MANHAR R. BHANSALI
RASHESH M. BHANSALI
AJAY M. KHATLAWALA
RAJESH G. KAPADIA
DR. R. SRINIVASAN

CHAIRMAN & MANAGING DIRECTOR
VICE-CHAIRMAN & MANAGING DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR

COMPANY SECRETARY & COMPLIANCE OFFICER

ANITA KATE
e-mail: investorrelations@goldiam.com

AUDITORS

PULINDRA PATEL & CO.,
Chartered Accountants

BANKERS

The Hongkong & Shanghai Banking Corporation Limited
YES Bank Limited
Standard Chartered Bank
Punjab National Bank
Kotak Mahindra Bank Limited
City Bank

REGISTERED OFFICE

Gems & Jewellery Complex, SEEPZ,
Andheri (East), Mumbai - 400 096
e-mail: goldiam@vsnl.com Website: www.goldiam.com

DIAMOND PROCUREMENT OFFICE

2, Prasad Chambers, Opera House, Mumbai - 400 004

REGISTRAR AND TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078
Tel no.: 2594 6970-78 Fax: 2594 6969
e-mail: rnt.helpdesk@linkintime.co.in

LISTING

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited
"Exchange Plaza", Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

DEMAT DETAILS

ISIN: INE025B01017

TWENTY FIFTH ANNUAL GENERAL

MEETING will be held on Tuesday, 14th August, 2012 at 2.30 p.m. at 'TRIBUNE 1' Banquet Hall, 6th Floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093

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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued **Circular No. 17/2011 dated 21st April, 2011** and **Circular No.18/2011 dated 29th April, 2011** stating that service of notices/ documents including Annual Reports can be made by e-mail to its members. This is also a golden opportunity for every shareholder of the Company to contribute to this initiative of the Government. By opting to receive communication through electronic mode, you also have the benefit of receiving communication promptly and avoiding loss in postal transit, besides helping save costs on paper and on postage, reducing paper consumption and saving trees. 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 e-mail addresses in respect of electronic holdings with the Depository through their respective Depository Participants. Members who hold shares in physical form are requested to inform their e-mail addresses to the Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd.

NOTICE

NOTICE is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the Members of GOLDIAM INTERNATIONAL LIMITED will be held on Tuesday, 14th August, 2012 at 2.30 p.m. at 'TRIBUNE 1' Banquet Hall, 6th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai at 400 093 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare final dividend on equity shares for the year ended on 31st March, 2012.
3. To appoint a Director in place of Mr. Manhar R. Bhansali, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Pulindra Patel & Co., Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Place: Mumbai

Date: 26th May, 2012

Regd. Office:

Gems & Jewellery Complex,
SEEPZ (SEZ), Andheri (E),
Mumbai - 400 096.

ANITA KATE
Company Secretary

NOTES:

- 1) A member entitled to attend and vote at the annual general meeting (the 'Meeting') is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy, should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting
- 3) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 4) The details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as stipulated

under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed.

- 5) The Register of Members and Share Transfer Books will remain closed from Wednesday, 1st August, 2012 to Tuesday 14th August, 2012 (both days inclusive).
- 6) Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid on 18th August, 2012 to those members whose names appear on the Register of Members as on 31st July, 2012.
- 7) Members are requested to notify immediately any change in their address or bank account particulars:
 - To the Registrar and Transfer Agents of the Company for shares held in physical form; and
 - Directly to their respective Depository Participants with whom they are maintaining their demat accounts and not to the Company/ Registrar and Transfer Agents, for shares held in electronic form.
- 8) Members who have not updated their bank account particulars and are desirous of availing the facility of National Electronic Clearing Service (NECS) for receiving direct credit of the dividends declared in future, if any, in their Bank account are advised to submit particulars of their bank account viz. name and address of the branch of the bank, 9 digit MICR code of the bank and branch, type of account and the account number along with a blank cancelled cheque:
 - To the Registrar and Transfer Agents of the Company for shares held in physical form; and
 - Directly to their respective Depository Participant (DP) for shares held in electronic form. The Registrar and Transfer Agents are required to use the data provided only by the Depositories in case of shares held in electronic form.
- 9) Non-Resident Indian Members are requested to inform M/s. Link Intime India Private Limited, immediately of :
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 10) In all correspondences with the Company, members holding shares in physical form are requested to quote their Folio numbers and those holding shares in electronic form are requested to quote their DP ID number and Client ID number.

- 11) 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd.
- 12) The Securities and Exchange Board of India (SEBI) has vide its circular no. MRD/DoP/Cir-05/2009 dated 20th May, 2009, clarified that for securities market transactions and off-market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/Registrar and Transfer Agents for registration of such transfer of shares. Accordingly, all transferees are requested to submit self-attested copies of their PAN card along with their request for transfer of shares of the Company in physical form in compliance with the above circular, failing which their request for transfer of shares will be returned under objection.
- 13) (i) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the amount of dividend, which has remained unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government. No claims shall lie against the Fund or the Company in respect of the individual amounts which were unclaimed or unpaid for a period of seven years from the dates they became due for payment.
- (ii) Accordingly, the unpaid/unclaimed dividends for the financial years 2003-2004 (Final Dividend) and Interim Dividend for the financial year 2004-2005 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not yet encashed their dividend warrant(s) for the financial year 2004-2005 (Final Dividend), 2005-2006 (Interim Dividend) or any of the subsequent years are requested to approach the Company's Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd., without any delay.
- 14) Members desirous of obtaining any information concerning the accounts are requested to write to the Company at least 10 days before the date of the meeting so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
- 15) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of Annual Report with them along with the Attendance slip duly signed and completed quoting their Folio No. in case shares are held in physical form or their DP ID number and Client ID number in case the shares are held in electronic form.

Details of the Directors seeking re-appointment at the Annual General Meeting

Particulars	Mr. Manhar R. Bhansali
Date of Birth	20 th September, 1941
Date of Appointment	10 th October, 1986
Qualifications	Under Graduate
Expertise in specific functional area	Entered in the diamond business more than 4 decades ago. His having Extensive knowledge & experience in Diamond Business and engage in Manufacturing, Trading and Jewellery exports.
	M/s. M. R. Bhansali group is well known group in the Diamond market. He is the driving force behind the success of the Company and his contribution to the enhancement of the Indian Gems & Jewellery Industry is unparalleled. Mr. Manahar Bhansali also honored with the prestigious "Pioneer of the Year" Award instituted by IDCA (Indian Diamond & Colorstone Association), New York.
Name of the companies in which he holds Directorship/Committee Memberships	Digold Designs Limited - Chairman Goldiam Jewels Limited- Chairman Goldiam Jewellery Limited - Chairman Sampada Promoters Private Limited - Chairman Sampada Realities Private Limited - Chairman
Number of Shares held	7103428

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this Twenty Fifth Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2012.

FINANCIAL RESULTS:

	(₹ in Lakhs)	
	Year ended 31.03.2012	Year ended 31.03.2011
Sales for the year	9,159.83	8,215.36
Profit before Interest & finance charges, depreciation & taxation	1,280.54	970.13
Less: Interest & finance Charges	63.67	29.31
Operating profit before depreciation & taxation	1,216.87	940.82
Less: Depreciation, amortization & impairment of asset	134.68	136.98
Profit before taxation	1,082.19	803.84
Provision for taxation	230.00	169.47
Profit after taxation	852.19	634.37
Add: Balance brought forward	7,720.66	7,377.18
Profit available for appropriation	8,572.85	8,011.55
Less: Appropriation:		
Transfer to General Reserve	55.00	—
Interim Dividend	274.41	249.46
Tax on Interim Dividend	44.51	41.43
Proposed Dividend	99.78	—
Provision for Tax on Proposed Dividend	16.19	—
Balance carried forward to Balance Sheet	8,082.96	7,720.66

OPERATIONS:

The operations of the Company have shown considerable improvement as compared to the previous year. The Company has achieved a turnover of ₹9,159.83 Lakhs during the year under report as compared to ₹8,215.36 Lakhs during the previous year reflecting a growth of 11.50% over the previous year. The profits of the Company have also shown a remarkable increase with the Company earning a net profit of ₹852.19 Lakhs after tax as compared to a net profit after tax of ₹634.37 Lakhs for the previous year registering an increase of 34.34%.

DEPOSITS:

The Company has not invited/accepted any deposit from the public during the year ended 31st March, 2012. There were no unclaimed or unpaid deposits as on 31st March, 2012.

DIVIDEND:

The Board consider the payment of Interim Dividend @ ₹1.10/- per share (11%) has decided to recommend final dividend @ ₹0.40 per share (4%), thus giving a total dividend of ₹1.50 per share (15%) for the year under report.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspiration and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

SUBSIDIARY COMPANIES:

In accordance with the General Circular no. 2/2011 File no. 51/12/2007-CL-III dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, granting general exemption to the companies under Section 212(8) of the Companies Act, 1956, the Balance Sheet, Profit and Loss Account and other Reports and statements of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the annual accounts of the subsidiary companies and the related detailed information to any shareholder of the Company seeking such information at any point of time. The annual accounts of the subsidiary companies are also available for inspection by any shareholder at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements of the Company and all the subsidiaries duly audited by the statutory auditors of the Company are presented in the Annual Report of the Company. A summary of the financial information of the subsidiary companies is also attached to the Annual Report of the Company.

DEMATERIALISATION:

More than 97% of the shares of the Company are in dematerialized form. Your Directors request all the members who have not yet got their holdings dematerialized to do so to enable easy trading of the shares as the shares of the Company are compulsorily traded in dematerialized form.

DIRECTORS:

As per the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Manhar R. Bhansali, Director of the Company, retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

AUDITORS:

M/s. Pulindra Patel & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment, have furnished their eligibility certificate to the effect that reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act. The Board recommends their re-appointment.

REPORT ON CORPORATE GOVERNANCE:

A separate report on Corporate Governance is attached to this report along with Statutory Auditors' certificate on its compliance.

(A) CONSERVATION OF ENERGY, (B) TECHNOLOGY ABSORPTION, (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as furnished herein below:

A. CONSERVATION OF ENERGY:

As the Gems & Jewellery Industry is not covered by the Schedule prescribed by the said Rules, disclosure of particulars on conservation of energy is not applicable to the Company.

B. TECHNOLOGY ABSORPTION:

The particulars regarding absorption of technology are annexed in the prescribed Form B of the Companies

(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's main line of business is manufacturing and exporting studded gold jewellery. The Company has achieved Export Turnover of ₹9,159.83 Lakhs during the year under report, 2011-2012, as compared to ₹8,215.36 Lakhs in the previous year, 2010-2011.

(₹ in Lakhs)		
Particulars	2011-2012	2010-2011
Total Foreign Exchange Received	8,572.02	7,187.92
Total Foreign Exchange used:		
i) Raw Materials	3,345.90	2,752.44
ii) Consumable Stores	15.22	7.71
iii) Capital Goods	28.79	20.82
iv) Foreign Travels	15.83	11.10
v) Others	19.32	26.13

PARTICULARS OF EMPLOYEES:

None of the employees has received remuneration/ salary exceeding the limit as stated in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record their appreciation and sincere gratitude to Government of India, Government of Maharashtra, SEEPZ (SEZ) Authorities and the Bankers to the Company for their valuable support and look forward to their continued co-operation in the years to come.

Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day-to-day management.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 26th May, 2012

MANHAR R. BHANSALI
CHAIRMAN

ANNEXURES FORMING PART OF THE DIRECTORS' REPORT

ANNEXURE – I

FORM B

Form for disclosure of particulars with respect to Technology Absorption, Research and Development (R & D) as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Research & Development:

1. Specific areas in which R & D is carried out by the Company

The Company's R & D is focused on offering high quality, competitively priced, innovative design jewellery to its customers. It places emphasis on latest technologies for manufacturing diamond studded jewellery which can lead to improved quality. Goldiam has carried out extensive research in gold recovery. With the implementation of better techniques of gold recovery, the efficiency of gold recovery method has improved. The Company has also carried out in-depth research on casting crucibles. With the advent of the new casting crucibles, the life of the crucibles has increased resulting in an increase in the output by almost 300% per casting. In addition to the invisible setting in diamond, the Company has also introduced new micro pave hand set technology.

2. Benefits derived as a result of the above R & D

The R & D activities will enable the Company to reduce the cost of manufacturing jewellery and offer high quality, innovative design jewellery which is competitively priced to its customers thereby increasing customer satisfaction, revenue and profitability.

3. Future plan of action

The Company intends to continue the research in its pursuit for bringing attractively priced, finer quality products to the customers.

4. Expenditure on R & D

R & D is a continuous process and the expenditure is

not specifically earmarked for the same and is debited to the general manufacturing expenses.

(a) Capital	NIL
(b) Recurring	NIL
(c) Total	NIL
(d) Total R & D expenditure as a percentage of total turnover	N.A.

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

The Company endeavours to keep itself abreast with the technical developments, innovations and trends in its line of business and constantly strives to incorporate the same in manufacturing jewellery and improve the design & quality of its products and reduce the costs.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.

The benefit will be reflected in the areas of substantial cost reduction and higher customer satisfaction through improved product quality.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

a) Technology imported	)	The Company has not
	)	imported any
b) Year of import	)	technology.
c) Has technology been	)	
fully absorbed	)	
d) If not fully absorbed,	)	
areas where this has	)	
not taken place,	)	
reasons there for and	)	
future plans of action.	)	

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and developments:

Gems and Jewellery is an important sector in the Indian Economy, ranked among the fastest growing sectors, it is also a leading sector for foreign exchange generation. The gems and jewellery is very much fascinating being traditionally glamorous and artistically modern. This business employees and engages millions, cover wide activities such as raw material procurement from far flung Africa, Canada & Russia, and transforming these into products in demand with the skills available in China, Italy and Turkey for the sophisticated markets in the USA, Europe, Far East, Middle East & Asia.

According to the Gems & Jewellery Export Promotion Council (GJEPC), the Gems & Jewellery industry is a significant contributor to the steady growth of the Indian economy. Gems & Jewellery sector accounted for 14% of India's total merchandise exports FY' 12. The exports for the financial year 2011-2012 stood at US\$ 42,839 million as compared to US\$ 42,995 million in 2010-2011 thus indicating an marginal decrease of 0.36%. Cut and Polished Diamonds witnessed a decline of 17.3% with exports decreasing from US\$ 28,217 million in 2010-2011 to US\$ 23,329 million in 2011-2012 due to levy of 2% duty on Cut and Polished Diamonds. Further, the Council indicates that though in dollar terms there is a marginal drop of 0.36%, the exports mark an increase of 4.6% in rupee value. Overall, the growth in the section was primarily driven by Gold Jewellery which registered an increase of 30% in FY'12.

Opportunities and Threats:

The Company anticipates that the economic growth in emerging markets like Europe, Hong Kong, Russia and Middle-East, with increasing disposable incomes, conscious marketing efforts, rising young population with the urge to spend on jewellery since it's regarded a fashion accessory will lead to an increase in demand of diamond studded Jewellery. The resurgence of the established global economies will provide a further impetus to the demand for jewellery. The Company's manufacturing excellence, high skilled labour, creation of exquisite designs and ability to manufacture high volumes at low cost will also enable the Company to leverage the opportunities.

Increasing efforts to climb the value chain by the neighbouring countries have posed a threat. China is fast emerging as a significant competitor for the Indian Gems & Jewellery industry with economical labour, modern and automated factories for manufacturing high quality, competitively priced jewellery. Also, the absence of any substantially favourable Government policy, incentive or stimulus for the jewellery industry and in particular the exporters, will reduce India's competitive position as diamond and jewellery exporter.

Segment-wise Performance:

The Company has two segments viz. jewellery manufacturing and investment activity. The Company has achieved a turnover of ₹9,230.37 Lakhs in the jewellery segment and of ₹597.96 Lakhs in investment activities.

Risks and Concerns:

The nature of the Company's business exposes it to several inherent risks and concerns. The Company strives to closely monitor the risks and to mitigate them by adopting suitable, pragmatic strategies.

Bullion Risk:

The volatility in the gold prices exposes the Company to bullion risk as gold forms approximately 30% of the cost of the finished product. The Company hedges its outstanding position mitigating the risk associated with the volatility in the gold prices.

Raw Material Supplies Risk:

Though India plays a dominant role in the Gems & Jewellery industry in terms of processing and consumption, mining of gold and diamond is amongst the lowest in the world. India imports gold and rough diamonds along with other precious metals, but during the year under review the Company has faced problem of continuous short supply of cut and polish diamonds .

Currency Risk:

Currency risk arises from exposure to foreign currencies and the volatility associated therewith. 100% of our exports have been transacted in US Dollars. While the Company hedges majority of its receivables, any sharp fluctuation in currency is likely to affect the cash flow of the Company as well as its profitability.

Geography Risk:

Dependence on any geographic location makes the Company's business in that region vulnerable to the economic slowdown therein. While USA continues to be our prime export destination, we have, with a view to manage the risks, diversified and tapped the markets in Middle East, Thailand, Europe, Russia and Japan.

Outlook:

The Company is optimistic about the business prospects and about its capabilities. During the year under review the industry facing the problem of continuous short supply of cut and polish diamond, domestically as well as from the overseas countries, continuous short supply of it increasing the prices and in turn increasing the prices of finished product, which Company offering to the customer and this factor is responsible for slow growth.

The company is making every single effort to deal with current high inflation rate which is taking the rounds of all over the world and making best endeavours to maintain its profitability and expected to grow its export at 5 to 10% in the financial year 2012-2013.

Internal Control and its adequacy:

The Company has an internal control system commensurate with its size and nature of business to ensure efficiency of operations, compliance with internal control policies and applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions.

Certified by the Internal Auditors and the Statutory Auditors of the Company, the internal control system is also supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines to ensure reliability of financial and other records.

Financial Performance:

The resurgence of the global economies and the persistent efforts of the Company to sustain its trade relations besides expanding its base to other markets have helped the Company to show a considerable improvement in its performance during the year under review as compared to the previous year. The Company has achieved a turnover of ₹9,159.83 Lakhs during the year under review as compared to ₹8,215.36 Lakhs during the previous year reflecting a growth of 11.50% over the previous year. The profits of the Company have also shown a substantial increase with the Company earning a net profit of ₹852.19 Lakhs after tax as compared to a net profit after tax of ₹634.37 Lakhs for the previous year registering an increase of 34.34%.

The consolidated turnover of the Company, its Subsidiaries and Joint Ventures has increased from ₹23,908.54 Lakhs in the previous year to ₹24,527.41 Lakhs during the year under review recording a growth of 2.59%. The consolidated net profit after tax has decreased from ₹1,866.69 Lakhs in the previous year to ₹1,522.98 Lakhs in the year under review registering decreased by 18.41% due to levy of Minimum Alternative Tax .

Material developments in Human Resources/Industrial Relations:

The Company considers its human resources as amongst its most valuable assets and continues to place emphasis on their development. It has been Company's constant endeavour to impart requisite training and thereby develop and hone the skills and talent of its personnel and enable them to realize their potential.

The overall Industrial Relations in the Company have been quite peaceful and cordial.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing Company's objective, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws, statutes and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

Your Directors are pleased to submit their report on the Corporate Governance of the Company for the Financial Year 2011-2012.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Goldiam benchmarks its Corporate Governance with the application of sound management practices and it conforms to the mandatory requirements. The Company is constantly striving to adopt the emerging good corporate governance practices.

MANAGEMENT DISCUSSION AND ANALYSIS:

This has been carried elsewhere in the Annual Report.

BOARD OF DIRECTORS:

Composition and Category of the Board of Directors as on 31st March, 2012 and the number of directorships and chairmanship/membership of the Board Committees in other public limited companies:

The composition of the Board is in conformity with Clause 49 of the Listing Agreement with Stock Exchanges.

Name of Director	Category	No. of Directorships and Committee Memberships/ Chairmanship held in other Public Limited Companies		
		Directorship	Committee Chairmanship	Committee Membership
Mr. Manhar R. Bhansali	Chairman, Promoter-Executive	3	nil	nil
Mr. Rashesh M. Bhansali	Promoter-Executive	3	nil	nil
Mr. Rajesh G. Kapadia	Independent-Non-Executive	7	4	3
Mr. Ajay M. Khatlawala	Independent-Non-Executive	2	nil	nil
Dr. R. Srinivasan	Independent-Non-Executive	7	3	5

Other directorships do not include directorships in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

Chairmanship/Membership of committees of Board of Directors include only Audit and Shareholders'/Investors' Grievance Committees of other Public Limited Companies.

BOARD MEETINGS HELD:

Five Board meetings were held during the financial year ended on 31st March, 2012. These were held on 5th May, 2011, 28th May, 2011, 10th August, 2011, 10th November, 2011 and 8th February, 2012.

Attendance of each director at the Board meetings held during the financial year ended 31st March, 2012 and the last AGM:

Director	No. of Board meetings held	No. of Board meetings attended	Whether last AGM attended (YES/NO)
Mr. Manhar R. Bhansali	5	5	YES
Mr. Rashesh M. Bhansali	5	5	YES
Mr. Rajesh G. Kapadia	5	4	YES
Mr. Ajay M. Khatlawala	5	4	YES
Dr. R. Srinivasan	5	5	YES

COMMITTEES OF THE BOARD:

A) AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee are broadly as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Reviewing the financial statements of the unlisted subsidiary companies.
- The Audit Committee also reviews the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

The Audit Committee met four times during the year under report, i.e. on 28th May, 2011, 10th August, 2011, 10th November, 2011 and 8th February, 2012. The meeting held on 28th May, 2011 reviewed the Annual Accounts of the Company for the financial year 2010-2011 and approved the same. The meetings held on 10th August, 2011, 10th November, 2011 and 8th February, 2012 reviewed and approved the results for 1st, 2nd and 3rd quarter respectively.

Composition and Attendance at the meetings of the Audit Committee:

Name of the Member	Status	No. of meetings attended
Mr. Rajesh G. Kapadia	Chairman	3
Mr. Ajay M. Khatlawala	Member	3
Dr. R. Srinivasan	Member	4

B) SHARE TRANSFER COMMITTEE/ SHAREHOLDER/ INVESTOR GRIEVANCE COMMITTEE:

The Share Transfer Committee has been constituted under the chairmanship of Mr. Manhar R. Bhansali with Mr. Rashesh M. Bhansali and Mr. Ajay M. Khatlawala as the other members to facilitate speedy disposal of requests pertaining to transfer, transmission of shares in physical form, issue of duplicate share certificates etc. The Shareholder/ Investor Grievance Committee has been constituted under the chairmanship of Mr. Ajay M. Khatlawala with Mr. Manhar R. Bhansali and Mr. Rashesh M. Bhansali as members to consider and review shareholders'/investors' grievances and complaints and to ensure that all shareholders'/investors' grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/or legal impediments.

Goldiam International Limited

SHAREHOLDER/INVESTOR SERVICE:

Shareholder/Investor Service is handled by the Company Secretary who provides timely services. The Company received 20 complaints during the year which were duly attended to and there was no case/complaint unresolved at the end of the year.

NAME & DESIGNATION OF THE COMPLIANCE OFFICER:

Ms. Anita Kate, Company Secretary.

DETAILS OF REMUNERATION PAID TO THE DIRECTORS IN 2011-12:

(a) Remuneration paid to Executive Directors:

(₹ in Lakhs)

Name	Salary	Bonus	Other perks	Commission	Total
Mr. Manhar R. Bhansali	nil	nil	nil	nil	nil
Mr. Rashesh M. Bhansali	36.00	nil	0.38	3.33	39.71

(b) Remuneration paid to Non-Executive Directors:

Name	Sitting Fees (₹ in Lakhs)	No. of Shares held
Mr. Rajesh G. Kapadia	0.55	nil
Mr. Ajay M. Khatlawala	0.55	6000
Dr. R. Srinivasan	0.70	nil

GENERAL BODY MEETINGS:

a) Location, date & time of the last three Annual General Meetings and the Special Resolutions passed there at:

Financial Year	Date & Time	Location	Special Resolution passed
2008-2009	25.09.2009 2.30 p.m.	'Tribune 1' Banquet Hall, 6 th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093	No special resolution passed
2009-2010	12.08.2010 3.00 p.m.	'Tribune 1' Banquet Hall, 6 th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093	1) Remuneration to Mr. Rashesh M. Bhansali, Vice Chairman & Managing Director with effect from 1 st April, 2010. 2) Re-appointment of Mr. Rashesh M. Bhansali as the Vice Chairman & Managing Director of the Company for a period of 5 years with effect from 1 st February, 2011 3) Re-appointment of Mr. Manhar R. Bhansali as the Chairman & Managing Director of the Company for a period of 5 years w.e.f. 24 th January, 2011.
2010-2011	10.08.2011 2.30 p.m.	'Tribune 1' Banquet Hall, 6 th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093	No special resolution passed

b) Special Resolution passed through Postal Ballot:

No Special resolution was passed through Postal Ballot during 2011-2012.

SUBSIDIARIES:

Diagold Designs Limited and Goldiam Jewellery Limited, subsidiaries of the Company, are non-listed material Indian subsidiaries in terms of Explanation 1 to Clause 49(III) of the Listing Agreement with the Stock Exchanges with their respective turnovers exceeding 20% of the consolidated turnover of the holding company with all its subsidiaries. Accordingly, in terms of Clause 49(III)(i) of the Listing Agreement, Mr. Ajay M. Khatlawala and Mr. Rajesh G. Kapadia, Independent Directors on the Board of Directors of the Company, have been appointed on the Board of Directors of Diagold Designs Limited and Goldiam Jewellery Limited respectively.

In terms of Clause 49 III of the Listing Agreement with the Stock Exchanges, the financial statements of the unlisted subsidiary companies are reviewed quarterly by the Audit Committee and the minutes of the Board meetings of the unlisted subsidiary companies are regularly placed before the Company's Board of Directors.

DISCLOSURES:

None of the transactions with any of the related parties was in conflict with the interests of the Company at large. Attention of the Members is drawn to the transactions with the related parties set out in Notes on Accounts-Note No.25, forming part of the Annual Report.

The Company's major related party transactions are generally with its Subsidiaries and Associates. The related party transactions are entered into based on considerations of various business exigencies. All related party transactions are negotiated on arms length basis and are only intended to further the interests of the Company. A statement in summary form of the transactions with related parties is periodically placed before the Audit Committee as required under Clause 49 IV (A) of the Listing Agreement with the Stock Exchanges.

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on all matters relating to capital markets during the last three years and no penalties or strictures have been imposed on the Company by any Stock Exchange, Securities and Exchange Board of India or other statutory authorities.

The non-mandatory requirements contained in Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchanges have not been adopted.

MEANS OF COMMUNICATION:

The quarterly and annual financial results are sent to the Stock Exchanges immediately after they are approved and taken on record by the Board of Directors. These financial results are normally published in the "Free Press Journal" and "Navshakti" and are also made available on the website of the Company, 'www.goldiam.com'. Annual Reports are despatched to all the shareholders. No presentation was made to the institutional investors or analysts during the year.

GENERAL SHAREHOLDER INFORMATION:

- I. Annual General Meeting:
- II. Date 14th August, 2012
Time 2.30 p.m.
Venue 'TRIBUNE 1' Banquet Hall, 6th Floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093.
- III. Financial Year: 1st April, 2011 to 31st March, 2012
- IV. Date of Book Closure: 1st August, 2012 to 14th August, 2012
- V. Dividend Payment Date: 18th August, 2012
- VI. Listing in Stock Exchanges: Bombay Stock Exchange Limited (BSE)
National Stock Exchange of India Limited (NSE)
The Annual Listing Fees as applicable have been paid to the above Stock Exchanges.
- VII. Stock Codes: BSE - **526729**, NSE - **GOLDIAM EQ.**
- VIII. Market Price Data:

The High and Low Prices of the Company's share during each month in the financial year 2011-2012 are as below:

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2011	45.90	33.00	37.25	33.00
May, 2011	35.80	31.35	33.95	32.00
June, 2011	37.15	31.65	36.40	35.30
July, 2011	39.00	34.20	37.95	35.05
August, 2011	36.80	23.75	34.45	30.00
September, 2011	36.95	29.35	34.00	32.15
October, 2011	37.35	28.55	33.00	32.25
November, 2011	33.70	29.20	32.00	30.00
December, 2011	30.80	23.40	28.95	24.10
January, 2012	32.00	24.00	29.95	28.70
February, 2012	33.75	25.10	31.60	27.90
March, 2012	28.70	22.55	25.25	22.65

IX. Performance:

Generally the share price movement is along the stock market trends and the market trend of the Jewellery Industry.

X. Registrar and Transfer Agents (RTA):

M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai - 400 078
Tel no.: 25946970 Fax: 25946969
e-mail: rnt.helpdesk@linkintime.co.in

XI. Share Transfer System:

With a view to expedite the process of share transfer which are received in physical form, a Share Transfer Committee had been constituted which usually meets once in a fortnight to consider and approve the transfer, transmission, dematerialization, rematerialisation of shares etc. The transfers of physical shares are effected by the Share Transfer Agents after approval by the Share Transfer Committee; provided the documents are complete in all respects and the share transfer is not under any dispute and the share certificates duly endorsed are sent to the shareholders by them. The minutes of the meetings of the Share Transfer Committee are placed at the Board Meeting.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

XII. Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2012:

Equity Shareholding	Number of Shareholders	Percentage of Shareholders(%)	Number of Shares	Percentage of Shareholding (%)
1 — 500	9089	82.28	1808331	7.25
501 — 1000	930	8.42	756739	3.04
1001 — 2000	521	4.71	807367	3.24
2001 — 3000	154	1.39	397450	1.59
3001 — 4000	96	0.87	351616	1.41
4001 — 5000	68	0.62	320077	1.28
5001 — 10000	102	0.92	741372	2.97
10001 & Above	87	0.79	19763044	79.22
Total	11047	100.00	24945996	100.00

Shareholding Pattern as on 31st March, 2012:

Category	Number of Shares	Percentage
Shareholding of Promoters & Promoter Group	13798100	55.31
Public Shareholding		
• Institutions		
Mutual Funds/UTI	8000	0.03
Financial Institutions/Banks	400	0.00
• Non-Institutions		
Bodies Corporate	419904	1.69
Individuals	7043419	28.24
Clearing Member	15566	0.06
Market Maker	13387	0.05
Foreign Nationals, NRIs, Foreign Companies, OCBs	3194869	12.81
Independent Directors	6000	0.02
HUF	446351	1.79
Total	24945996	100.00

XIII. Dematerialization of shares and liquidity:

The shares of the Company are traded compulsorily in the dematerialized form and connectivity has been established with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2012, 24366579 equity shares, representing 97.67% of the Company's share capital, stood dematerialized. The International Securities Identification Number (ISIN) allotted to the shares of the Company under the Depository System is **INE025B01017**.

XIV Outstanding GDRs/ADRs/Warrants or any Convertible instruments, etc.:

As on date, the Company has not issued GDR/ADR/Warrants or any convertible instruments.

XV. Plant Locations:

GOLDIAM INTERNATIONAL LIMITED, GEMS & JEWELLERY COMPLEX, SEEPZ (SEZ), ANDHERI (E), MUMBAI - 400 096.

XVI. Address for Correspondence:

GOLDIAM INTERNATIONAL LIMITED, GEMS & JEWELLERY COMPLEX, SEEPZ (SEZ), ANDHERI (E), MUMBAI - 400 096.

COMPLIANCE CERTIFICATE OF AUDITORS: Attached with this Report.

No qualification in Auditors' Report.

CODE OF CONDUCT:

In accordance with Clause 49 sub-clause I(D)(ii) of the Listing Agreement with the Stock Exchanges, I, Mr. Rashes M. Bhansali, in my capacity as the Managing Director of Goldiam International Limited, hereby confirm that all members of the Board of Directors and Senior Management Personnel of the Company have affirmed their compliance with the code of conduct of the Company in respect of the financial year 2011-2012.

For GOLDIAM INTERNATIONAL LIMITED

Mumbai: 26th May, 2012

RASHESH M. BHANSALI
Vice Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Goldiam International Limited
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Goldiam International Limited for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information, according to the explanations given to us and the representation made by management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Pulindra Patel & Co.**
Chartered Accountants
FRN No. 115187W

PULINDRA M. PATEL
Proprietor
Membership No. 048991

Place: Mumbai
Date: 26th May, 2012

AUDITORS' REPORT

TO THE MEMBERS OF GOLDIAM INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of GOLDIAM INTERNATIONAL LIMITED as at 31st March, 2012 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts 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 Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as director in terms of clause (g) of sub-section 1 of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- ii) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date ; and
- iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

(Pulindra M. Patel)
Proprietor

Place: Mumbai
Date: 26th May, 2012

Membership No. 048991

Annexure

(Referred to in 3rd paragraph of our report of even date)

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) In our Opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. a) The Inventories have been physically verified during the year by the management. In our opinion, frequency of verification of inventory is reasonable.
- b) In our opinion and according to the information & explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
3. a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) According to the information and explanations given to us, the Company has not taken unsecured loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clauses (iii) (f) and (iii) (g) of Paragraph 4 of the Order are not applicable.
4. 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, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under Section 301 of the Act, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system commensurate with the size and nature of its business.

8. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Act.
9. a) According to the information and explanations given to us and on the basis of the examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, cess and other undisputed statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.

According to the records of the Company, disputed Municipal Property Tax together with Penalty not deposited on account of dispute are as follows.

Name of Statute / Description	₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Property Tax	136.97	1997-98	Bombay High Court

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit and has not incurred cash losses in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institution or by way of debentures.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In respect of dealing in shares, debentures, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company had given guarantee for loan taken by subsidiary from a bank; in our opinion the terms and conditions on which guarantee is given is not prima facie prejudicial to the interest of the Company.
16. The Company did not have any term loans outstanding during the year.
17. We have been informed by the management that the funds raised on short-term basis have not been used for long-term investment, though surplus funds which were not required for immediate utilisation have been gainfully invested in Shares, Mutual Fund, Liquid Fund and investments payable on demand.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

(Pulindra M. Patel)
Proprietor
Membership No. 048991

Place: Mumbai
Date: 26th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes No.		As at 31.03.2012	(₹ in Lakhs) As at 31.03.2011
I) EQUITY & LIABILITIES :				
1) SHAREHOLDERS' FUNDS :				
a) SHARE CAPITAL	1	2,494.60		2,494.60
b) RESERVES AND SURPLUS	2	13,751.72		13,334.42
c) MONEY RECEIVED AGAINST SHARE WARRANTS		—		—
			16,246.32	15,829.02
2) NON-CURRENT LIABILITIES				
a) LONG - TERM BORROWINGS		—		—
b) DEFERRED TAX LIABILITY (NET)		—		—
c) OTHER LONG TERM LIABILITIES		—		—
d) LONG - TERM PROVISIONS		—		—
3) CURRENT LIABILITIES				
a) SHORT TERM BORROWINGS	3	2,074.90		847.75
b) TRADE PAYABLES	4	2,299.25		1,293.86
c) OTHER CURRENT LIABILITIES	5	62.55		57.68
d) SHORT - TERM PROVISIONS	6	150.12		23.26
			4,586.82	2,222.55
TOTAL			20,833.14	18,051.57
II) ASSETS :				
1) NON - CURRENT ASSETS				
a) FIXED ASSETS				
i) TANGIBLE ASSETS	7	942.78		949.00
ii) INTANGIBLE ASSETS		—		—
iii) CAPITAL WORK - IN - PROGRESS		—		—
iv) INTANGIBLE ASSETS UNDER DEVELOPMENT		—		—
b) NON - CURRENT INVESTMENT	8	3,194.98		2,705.09
c) DEFERRED TAX ASSETS (NET)	9	75.63		107.83
d) LONG - TERM LOANS & ADVANCES	10	20.34		20.34
e) OTHER NON - CURRENT ASSETS		—		—
			4,233.74	3,782.27
2) CURRENT ASSETS				
a) CURRENT INVESTMENT	11	6,245.01		5,917.43
b) INVENTORIES	12	2,787.82		3,169.47
c) TRADE RECEIVABLES	13	5,567.33		4,295.06
d) CASH & BANK BALANCE	14	1,432.82		294.75
e) SHORT - TERM LOANS & ADVANCES	15	566.42		592.59
f) OTHER CURRENT ASSETS		—		—
			16,599.40	14,269.30
TOTAL			20,833.14	18,051.57

SIGNIFICANT ACCOUNTING POLICIES NOTES ON FINANCIAL STATEMENTS

1 to 40

As per our report of even date

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 26th May, 2012

Place : Mumbai
Date : 26th May, 2012

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes No.	Current Year	(₹ in Lakhs) Previous Year
I) REVENUE FROM OPERATIONS	16	9,159.83	8,215.36
II) OTHER INCOME	17	668.50	501.28
III) TOTAL REVENUE (I+II)		<u>9,828.33</u>	<u>8,716.64</u>
IV) EXPENSES :-			
a) COST OF MATERIALS CONSUMED	18	6,785.75	5,671.22
b) PURCHASE OF STOCK IN TRADE		984.03	1,146.28
c) CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE	19	(17.02)	(74.54)
d) EMPLOYEE BENEFITS EXPENSES	20	143.75	123.23
e) FINANCE COSTS	21	63.67	29.31
f) DEPRECIATION, AMORTISATION AND IMPAIRMENT	7	134.68	136.98
g) OTHER EXPENSES	22	651.29	880.30
TOTAL EXPENSES		<u>8,746.14</u>	<u>7,912.80</u>
V) PROFIT BEFORE TAX (III-IV)		<u>1,082.19</u>	<u>803.85</u>
VI) TAX EXPENSES :			
— CURRENT TAX & PRIOR YEAR		197.79	142.46
— DEFERRED TAX LIABILITY		32.21	27.01
VII) PROFIT/(LOSS) FOR THE YEAR		<u>852.19</u>	<u>634.37</u>
VIII) EARNINGS PER EQUITY SHARE (Face Value ₹ 10/-) :			
Basic		3.42	2.54
Diluted		3.42	2.54
SIGNIFICANT ACCOUNTING POLICIES NOTES ON FINANCIAL STATEMENTS	1 to 40		

As per our report of even date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

Pulindra M. Patel
Proprietor
Membership No. 048991

Place : Mumbai
Date : 26th May, 2012

Anita Kate
Company Secretary

For and on behalf of the Board

Manhar R. Bhansali
Chairman & Mg. Director

Place : Mumbai
Date : 26th May, 2012

Rashesh M. Bhansali
Vice Chairman & Mg. Director

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012

(PURSUANT TO THE LISTING AGREEMENT WITH THE STOCK EXCHANGE)

PARTICULARS	2011-12	(₹ in Lakhs) 2010-11
A) CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1,082.19	803.85
ADJUSTMENT FOR :		
Depreciation (Schedule 4)	134.68	136.98
Profit/Loss on sale of Investment (Net)	(327.36)	(66.62)
Interest	(49.96)	(142.85)
Revaluation Loss on Investments	(5.22)	28.39
Profit/Loss on sale of Assets	(0.37)	5.08
Dividend received	(156.54)	(172.23)
(Short)/Excess Provision for taxation written off	9.19	(24.96)
	(395.58)	(236.20)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	686.60	567.64
ADJUSTMENT FOR :		
Trade and other Receivable	(1,246.10)	(952.48)
Inventories	381.65	(348.46)
Trade Payable	1,012.98	107.14
	148.54	(1,193.80)
CASH GENERATED FROM OPERATIONS	835.14	(626.16)
Interest Paid	(63.67)	(29.31)
Direct Tax Paid	(196.09)	(247.19)
Voluntary retirement scheme expenses	—	—
	(259.75)	(276.51)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	575.39	(902.67)
NET CASH FROM OPERATING ACTIVITIES	575.39	(902.67)
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(142.90)	(194.76)
Sale of Fixed Assets	14.89	30.04
Purchase of Investments	(11,502.53)	(39,617.93)
Purchase of Investments in Subsidiary	(122.67)	—
Sale of Investments	11,140.23	40,017.33
Interest received	113.63	170.47
Dividend received	156.54	172.23
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(342.82)	577.38
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long Term Borrowing	1,227.15	847.75
Dividend paid	(318.92)	(498.92)
NET CASH USED IN FINANCING ACTIVITIES	908.22	348.83
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,140.79	23.54
CASH AND CASH EQUIVALENTS AS AT 01.04.2011	291.63	268.09
CASH AND CASH EQUIVALENTS AS AT 31.03.2012	1,432.41	291.63

As per our report of even date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 26th May, 2012

Place : Mumbai
Date : 26th May, 2012

SIGNIFICANT ACCOUNTING POLICIES:

A) BASIS OF PREPARATION OF ACCOUNTS :

The financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable. The Financial Statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

B) USE OF ESTIMATES :

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and reported amounts of revenue and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

Till the year ended 31st March, 2011, pre-revised Schedule VI to the Companies Act 1956 was being used for preparation and presentation of financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. Accordingly, the company has reclassified previous year figures to conform to this year's classification. On adoption of the revised Schedule VI, there has been no significant impact on recognition and measurement principles followed for preparation of financial statements.

C) FIXED ASSETS:

Fixed Assets are stated at cost (Net of VAT wherever applicable) less accumulated depreciation and impairments, if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for intended use. They are stated at historical cost.

D) IMPAIRMENT OF ASSETS :

- i) At each Balance Sheet date, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS-28) "Impairment of Assets".
- ii) After Impairment, depreciation is provided on the revised carrying amount of the assets.
- iii) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if no impairment loss had been recognized.

E) DEPRECIATION:

Depreciation on Fixed Assets is provided on "Written Down Value" method and at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on addition to fixed assets is provided on prorata basis from the date of acquisition or installation. Depreciation on assets sold, discarded, demolished or scrapped, is provided up to the date on which the said asset is sold, discarded, demolished or scrapped.

F) INVESTMENTS:

- i) Investments that are intended to be held for more than a year from the date of acquisition and those having fixed maturity period of more than a year are classified as long-term Investments and are stated at cost. Provision for diminution in value of long-term investments are made, if the diminution in value is other than temporary.
- ii) Current investments are valued at cost or market value, whichever is lower, on scrip wise basis. Cost is determined on First In First Out (FIFO) basis.
- iii) Reclassification of investments are made at the lower of cost and fair value at the date of transfer wherever available.

G) INVENTORIES:

- i) Raw materials are valued at cost or net realisable value, whichever is lower on First In First Out (FIFO) basis.

- ii) Stores and Spares are valued at cost on First In First Out (FIFO) basis.
- iii) Work in progress, manufactured finished goods and traded goods are valued at lower of cost and net realisable value. Cost of work in progress and manufactured finished goods comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Trading goods are valued at cost or net realisable value, whichever is lower.

H) FOREIGN CURRENCY TRANSACTIONS:

- i) Investment in foreign subsidiaries and Joint venture are recorded at the exchange rate prevailing on the date of making the investment.
- ii) Monetary Assets (including bank account maintained in foreign currency) except those which are covered by forward exchange contracts and monetary liabilities, i.e. items to be received or paid in foreign currency, are stated at the exchange rates prevailing on the date of Balance Sheet. In case of transactions which are covered by forward exchange contracts, the difference between the forward rate and the spot rate is recognised as income or expense over the life of contracts. Realised gains and losses on foreign currency transactions are recognised in the Profit & Loss Account.
- iii) Transactions denominated in foreign currencies current assets (including bank account maintained in foreign currency) and current liabilities (including bank loans taken in foreign currency), i.e. items to be received or paid in foreign currency, are stated at the exchange rates prevailing on the date of the Balance Sheet.
- iv) Monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and is recognised over the life of the contract.
- v) The Company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates. These foreign exchange forward contracts and options are not used for trading or speculation purpose. Any profit or loss arising on cancellation or renewal of foreign exchange forward contracts is recognised as income or expense for the year. In respect of foreign currency option contracts which are entered into to hedge highly probable forecasted transactions, the cost of these contracts, if any, is expensed over the period of the contract. Any profit or loss arising on settlement or cancellation of currency options is recognised as income or expense for the period in which settlement or cancellation takes place. The effect of these currency option contracts outstanding at the year-end, in the form of unrealised gains/losses, is recognised.

I) RECOGNITION OF INCOME AND EXPENDITURE :

Revenues/Incomes and Costs/Expenditures are generally accounted on accrual basis as they are earned or incurred.

SALES :

Revenue is recognised when the significant risks and rewards of ownership to the goods is passed to the buyer.

Domestic sales are accounted on dispatch of products to customers and Export sales (Net of Returns) are accounted on the basis of dates of Airway Bills. Domestic Sales are disclosed net of Value Added Tax and returns as applicable.

DIVIDEND :

Revenue is recognised when the right to receive is established.

INTEREST:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

J) EMPLOYEE BENEFITS :

i) Defined Contribution Plan :

Employee benefits in the form of contribution to Provident Fund managed by Government authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

ii) Defined Benefit Plan :

Retirement benefit in the form of Gratuity benefit is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation.

Gratuity :

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of given years of service. The Company makes payment to group gratuity policy issued by Life Insurance Corporation of India.

Actuarial Valuation :

The liability in respect of defined plans, is accrued in the books of account on the basis of actuarial valuation carried out using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of benefit plans, based on the market yields as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

K) RESEARCH AND DEVELOPMENT EXPENDITURE :

Revenue expenses on Research & Development are charged to the Profit & Loss Account in the year in which these are incurred. Capital expenditure is taken as addition to the fixed assets.

L) EARNING PER SHARE :

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period are adjusted for events of buy back of shares. For the purpose of calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

M) PROVISION FOR CURRENT AND DEFERRED TAX :

Tax expense comprises of Current and Deferred tax.

Provision for current tax including wealth tax has been made in accordance with the direct tax laws prevailing for the relevant assessment years. The current tax charge for the Company includes Minimum Alternate Tax (MAT) determined under section 115JB of the Income Tax Act, 1961.

Deferred Income tax reflects the impact of current year timing differences between taxable income/losses and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured on the tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In respect of carry forward losses deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such losses can be setoff.

N) SEGMENT REPORTING :

Identification of Segment

The Company has identified Two Reportable Segments viz. Jewellery Manufacturing and Investment Activity. Segments have been identified and reported taking into account nature of products and services, the different risks and returns and the internal business reporting systems.

The Company has two business segments viz. Jewellery Manufacturing and Investment Activity.

O) PROVISIONS/ CONTINGENCIES :

A Provision is created when an enterprise has a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount and it is probable that an outflow of resources will be required to settle the obligation. A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognise assets which are of contingent nature until there is virtual certainty of reliability of such assets. However, if it has become virtual certain that an inflow of economic benefits will arise, assets and related income are recognised in the financial statements of the period in which the change occurs.

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012

1 SHARE CAPITAL :

(₹ in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
AUTHORISED CAPITAL		
31000000 Equity Shares of ₹10/- each	3,100.00	3,100.00
(Previous year 31000000 Equity Shares of ₹10/- each)		
	3,100.00	3,100.00
Issued Capital		
24945996 Equity Shares of ₹10/- each	2,494.60	2,494.60
(Previous Year 24945996 Equity Shares of ₹10/- each)		
	2,494.60	2,494.60
Subscribed and Paid up Capital		
24945996 Equity Shares of ₹10/- each	2,494.60	2,494.60
(Previous Year 24945996 Equity Shares of ₹10/- each)		
TOTAL	2,494.60	2,494.60

- 1.01 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:
Details to be given for each class of shares separately for Issued, Subscribed and fully paid up and Subscribed but not fully paid up, as applicable.

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights :		
At the beginning of the year		
– Number of shares	24945996	24945996
– ₹ in Lakhs	2,494.60	2,494.60
Add : Addition during the year :		
– Number of shares	—	—
– ₹ in Lakhs	—	—
Less : Deduction During the year :		
– Number of shares	—	—
– ₹ in Lakhs	—	—
Year ended 31st March, 2012 :		
– Number of shares	24945996	24945996
– ₹ in Lakhs	2,494.60	2,494.60
Year ended 31st March, 2011		
– Number of shares	24945996	24945996
– ₹ in Lakhs	2,494.60	2,494.60

- 1.02 Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 st March, 2012		As at 31 st March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. Manhar Bhansali	7103428	28.48%	7103428	28.48%
Mr. Rashesh Bhansali	5600000	22.45%	5350000	21.45%
M/s Diajewel N.V.	2700000	10.82%	2700000	10.82%
Equity shares with differential voting rights	—	—	—	—

1.03 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31.03.2012	As at 31.03.2011
<u>Equity shares with voting rights</u>		
Fully paid up pursuant to contract(s) without payment being received in cash	—	—
Fully paid up by way of bonus shares	—	—
Shares bought back	2086804	2086804
<u>Equity shares with differential voting rights</u>		
Fully paid up pursuant to contract(s) without payment being received in cash	—	—
Fully paid up by way of bonus shares	—	—
Shares bought back	—	—

2 RESERVES AND SURPLUS :

(₹ in Lakhs)

1. Capital Redemption Reserve :		
As per last Balance Sheet	208.68	208.68
Add : Transfer from Security Premium and General Reserve	—	—
	208.68	208.68
2. Capital Reserve Account		
As per last Balance Sheet	479.70	479.70
3. General Reserve		
As per last Balance Sheet	4,925.38	4,925.38
Add: Transferred for profit & loss account	55.00	—
	4,980.38	4,925.38
4. Profit & Loss Account		
Surplus-Opening Balance	7,720.66	7,377.18
Add : Net Profit after tax transferred from Statement of Profit and Loss	852.19	634.37
	8,572.85	8,011.55
Less: Appropriations		
— Transferred to General Reserve	55.00	—
— Interim Dividend	274.41	249.46
— Proposed Dividend	99.78	—
— Tax on Interim Dividend	44.52	41.43
— Tax on Proposed Dividend	16.19	—
Amount available for appropriation	8,082.96	7,720.66
TOTAL	13,751.72	13,334.42

3 SHORT TERM BORROWINGS :

(a) Loans repayable on demand :

Form Banks		
— Secured		
Preshipment Credit in Foreign Currency with YES Bank Ltd.	—	783.84
Post Shipment Credit in Foreign Currency with YES Bank Ltd.	144.50	63.91
3.01 (Secured by first pari passu charge on present & future Inventories, Receivables)		
Preshipment Credit in Foreign Currency with CITI Bank N.A.	358.61	—
Post Shipment Credit in Foreign Currency with CITI Bank N.A.	1,571.80	—
3.02 (Secured by Pledge in investments in Fixed Monthly Plans (FMP) through Citi Bank N.A.		
2000000 Units of Sundaram Fixed Term Plan -BC-366 days Growth		
2500000 Units of DWS Fixed Term Fund Series 85 (371 days Growth)		
1700000 Units of DSP Black Rock FMP 12 Months Series - 24		
9320639.984 Units of HDFC Cash Management Fund Treasury Advantage Plan		
30863.969 Units of Templeton India Short Term Income Plan Monthly Dividend		
30732.607 Units of IDFC Fixed Maturity Plan yearly Series 67 Growth		
TOTAL	2,074.90	847.75

3.03 Details of term of repayment and rate of interest are as set out below:

Type of Loan	Rate of Interest	Maturity Period
Pre-shipment credit in foreign currency	2.00% to 2.60%	April-12 to Aug-12
Post shipment credit in foreign currency	2.50% to 3.25%	Sept-12 to Jan-13
Sundaram Fixed Term Plan-BC-366 days Growth	—	13.06.2012
DWS Fixed Term Fund Series 85 (371 days Growth)	—	02.07.2012
DSP Black Rock FMP 12 Months Series-24	—	03.07.2012
IDFC Fixed Maturity Plan yearly Series 67 Growth	—	11.03.2013

4 TRADE PAYABLES : (₹ in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
Trade Payables :		
i) Due to Micro, Small and Medium Enterprises(*)	27.02	36.51
ii) Others	2,272.23	1,257.35
	2,299.25	1,293.86
TOTAL	2,299.25	1,293.86

5 OTHER CURRENT LIABILITIES :

a) Statutory dues payable	3.08	6.48
b) Payables for Fixed Assets		
i) Dues of Micro, Medium & Small Enterprises(*)	0.51	1.24
ii) Others		
c) Salaries due to director	3.33	—
d) Provisions for expenses	26.10	19.18
e) Trade/Security Deposits	0.50	0.50
f) Advance received from clients	28.63	27.15
g) Overdrawn balance with Banks	0.41	3.12
TOTAL	62.55	57.68

5.01 (*) Details of dues to Micro, Small and Medium Enterprises:

i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	27.53	37.75
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

6 SHORT-TERM PROVISIONS :

Short Term Provisions consists of the followings :

a) Provision for employee benefits :		
Provision for Leave Salary	2.01	2.28
b) Provision for others :		
i) Provision for tax (net of advance tax ₹342.71 Lakhs as at 31 st March, 2011 ₹281.33 Lakhs)	30.14	19.41
ii) Proposed Dividend	99.78	—
iii) Provision for Tax on Proposed Dividend	16.19	—
iv) Provision for Wealth Tax	2.00	1.56
	150.12	23.26
TOTAL	150.12	23.26

7 FIXED ASSETS : (₹ in Lakhs)										
Sr. Description No.	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2011	Addition	Deduction	Cost as on 31.03.2012	As on 01.04.2011	For the Year	Deduction	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011
TANGIBLE ASSETS										
1 FACTORY BUILDING	313.33	—	—	313.33	246.36	6.70	—	253.06	60.27	66.97
2 OFFICE PREMISES	646.56	—	—	646.56	205.28	22.06	—	227.34	419.21	441.28
3 FURNITURE & FIXTURE	350.38	15.14	—	365.51	261.13	17.57	—	278.70	86.81	89.24
4 OFFICE EQUIPMENT	59.89	2.83	—	62.71	41.63	2.69	—	44.32	18.39	18.26
5 PLANT & MACH.										
A) MACHINERY	389.59	99.46	25.02	464.04	293.92	22.99	17.00	299.91	164.12	95.67
B) COMPUTERS	154.06	17.85	—	171.91	143.39	8.71	—	152.10	19.81	10.67
C) AIR CONDITIONER	61.10	1.64	—	62.74	47.53	2.03	—	49.56	13.17	13.56
D) LIFT	16.94	—	—	16.94	15.21	0.24	—	15.45	1.49	1.73
E) ELECTRICAL INST.	139.12	1.66	—	140.79	113.54	3.71	—	117.25	23.53	25.58
6 VEHICLES	271.67	4.33	35.74	240.26	85.63	47.98	29.32	104.29	135.97	186.04
TOTAL	2,402.63	142.90	60.76	2,484.78	1,453.64	134.68	46.32	1,541.99	942.78	949.00
PREVIOUS YEAR	2,318.32	194.76	110.45	2,402.63	1,391.98	136.98	75.33	1,453.64	949.00	

NOTE: 1. Office Premises includes ₹ 0.05 Lakhs the value of share in a co-operative society.

Goldiam International Limited

8 NON-CURRENT INVESTMENT :						(₹ in Lakhs)
Particulars	No. of Shares	Face Value	As at 31.03.2012	No. of Shares	As at 31.03.2011	
(Long Term Investments)						
TRADE:						
In Equity Shares of Subsidiary Company - Unquoted, fully paid up						
1) Diagold Designs Limited	2039658	10	468.39	2039658	468.39	
2) Goldiam Jewels Limited	2985000	10	437.69	1516500	315.01	
3) Goldiam Jewellery Limited	1000000	10	100.00	1000000	100.00	
4) Goldiam USA, Inc. (Face value of US\$ 0.01/- each)	200		72.00	200	72.00	
OTHER THAN TRADE:						
In Equity Shares of Joint Venture Company - Unquoted, fully paid up						
Goldiam HK Limited (Face Value of HK\$ 1/-each)	5982725		327.78	5982725	327.78	
In Equity Shares - Unquoted, fully paid up						
Sip Technologies Limited	1891	10	0.19	1891	0.19	
OTHER THAN TRADE:						
In Equity Shares - Quoted, fully paid up						
1) Classic Diamonds (I) Ltd.	5	2	0.00	5	0.00	
2) Gujarat Pipavav Ports Ltd.	—	10	—	51500	0.52	
3) Reliable Ventures Ltd.	50000	10	7.45	50000	8.90	
4) S B & T International Ltd.	1	10	0.00	1	0.00	
5) Shrenuj & Co Ltd.	5	2	0.00	5	0.00	
6) Suashish Diamonds Ltd.	1	10	0.00	1	0.00	
7) Suraj Diamonds & Jewellery Ltd.	1	10	0.00	1	0.00	
8) Titan Industries Ltd. **	20	1	0.00	10	0.00	
**Sub Division into ₹ 1 & Received 10 Bonus Shares						
In Redeemable Preference Shares - Unquoted, fully paid						
K.S.Realty Construction Private Limited	2750	10	0.28	2750	0.28	
In Units of Mutual Fund - Quoted, fully paid up						
1) Birla Sunlife Fixed Term Plan Series CX - Growth	—	10	—	2513848	251.38	
2) DSP Blackrock FMP 13 M Series 04 - Growth	—	10	—	500000	50.00	
3) ICICI Prudential FMP Series 54 - 1 Year Plan A Cumulative	—	10	—	5000000	500.00	
4) IDFC Fixed Maturity Plan Thirteen Months Series 7 - Growth	2199990	10	220.00	—	—	
5) Reliance Fixed Horizon Fund XXI - Series 18 - Growth Plan	1750000	10	175.00	—	—	
In Bond - Quoted, fully paid up						
1) 8.20% Tax Free National Highways Authority of India 10 Years Bond	7417	1,000	74.17	—	—	
2) 8.10% Tax Free Housing and Urban Development Corporation Limited 10 Yrs Bond	22676	1,000	226.76	—	—	
In Debentures - Quoted, fully paid up						
1) Deutsche Investment India Pvt Ltd. NCD series 33 04 th March, 2014	100	100,000	88.71	100	91.70	
2) Deutsche Investments India Pvt. Ltd. SR-GE 0122 BR NCD 15 th April, 2014	250	100,000	242.37	—	—	
In Others						
1) Kotak Alternate Opportunities (India) Fund			403.71		236.93	
2) Kotak India Real Estate Fund - IV	7448.500	1,000	74.49			
3) Kshitij Venture Capital Fund	27600	1,000	276.00	28200	282.00	
TOTAL			3,194.98		2,705.09	
Aggregate amount of quoted investments			1,034.46		902.50	
Aggregate market value of listed and quoted investments			1,037.70		937.32	
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments			2,160.52		1,802.59	

9 DEFERRED TAX ASSETS :						(₹ in Lakhs)
Particulars			As at 31.03.2012		As at 31.03.2011	
a) Deferred Tax Assets related to Fixed Assets			26.84		23.45	
b) Deferred Tax Assets related to Employee Benefits			48.79		84.39	
TOTAL			75.63		107.83	
10 LONG - TERM LOANS & ADVANCES :						
a) Security deposits						
Unsecured, considered good			20.34		20.34	
Less: Provision for doubtful advances			—		—	
TOTAL			20.34		20.34	
11 CURRENT INVESTMENT :						(₹ in Lakhs)
Particulars	No. of Shares	Face Value	As at 31.03.2012	No. of Shares	As at 31.03.2011	
In Units of Mutual Fund - Quoted fully paid up						
Benchmark Mutual Fund Liquid Bees	0.0169	1,000	0.00	0.0169	0.00	
In Debentures - Quoted, fully paid up	No. of Debentures			No. of Debentures		
1) Deutsche Investments India Pvt Ltd. SR-GE 0146 BR NCD 12 Nov12	150	100,000	150.00	—	—	
2) Morgan Stanley India Capital Pvt Ltd. Sr-4 BR NCD (*)	—	1,000,000	—	46	460.00	
3) Morgan Stanley India Capital Pvt Ltd. Sr-13 BR NCD (*)	—	1,000,000	—	5	50.50	
In Units of Mutual Fund - Quoted	No. of Units			No. of Units		
1) Axis Fixed Term Plan Series 13 (370 Days) - Growth	—	10	—	1000000	100.00	
2) Birla Sun Life Fixed Term Plan Series CT - Growth	—	10	—	2000000	200.00	
3) Birla Sunlife Fixed Term Plan Series CU - Growth	—	10	—	1000000	100.00	
4) Birla Sunlife Fixed Term Plan Series CX - Growth	2513848	10	251.38	—	—	
5) BNP Paribas Fixed Term Fund Series 20A Growth	—	10	—	1500000	150.00	
6) BNP Paribas Fixed Term Fund Series 19D - Growth	—	10	—	500000	50.00	
7) BNP Paribas Fixed Term Fund Series 17C Growth Old Name (Fortis Fixed Term Fund Series 17C Growth)	—	10	—	2000000	200.00	
8) BNP Paribas Fixed Term Fund Series 21C Dividend Payout	—	10	—	1000000	100.00	
9) DSP Blackrock FMP 13 M Series 04 - Growth	500000	10	50.00	—	—	
10) DSP Black Rock FMP - 3M Series 27 Dividend Payout	—	10	—	1000000	100.00	
11) DSP Black Rock FMP 12 M Series 24 - Growth	1700000	10	170.00	—	—	
12) DSP Black Rock FMP - 12M Series 25 - Growth	750000	10	75.00	—	—	
13) DWS Fixed Term Fund - Series 85 - Growth	2500000	10	250.00	—	—	
14) HSBC Fixed Term Series 83 - Growth - Tenure 370 Days	1500000	10	150.00	—	—	
15) ICICI Prudential FMP Series 56- 1 Year Plan A Cumulative	—	10	—	2500000	250.00	
16) ICICI Prudential Fixed Maturity Plan Series 56 1 Year Plan D	—	10	—	2500000	250.00	
17) ICICI Prudential FMP Series 54 - 1 Year Plan A Cumulative	5000000	10	500.00	—	—	
18) ICICI Prudential Fixed Maturity Plan - Series 55 1 Year Plan B - Growth	—	10	—	500000	50.00	
19) ICICI Prudential Fixed Maturity Plan Series 56 - 1 Year Plan F Cumulative	1501674	10	150.17	—	—	

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(₹ in Lakhs)					
Particulars	No. of Shares	Face Value	As at 31.03.2012	No. of Shares	As at 31.03.2011
20) ICICI Prudential FMP Series 57 - 1 Year Plan B Cumulative	500000	10	50.00	—	—
21) ICICI Prudential Fixed Maturity Plan - Series 63 - 1 Year Plan B - Growth	4500000	10	450.00	—	—
22) IDFC FMP Yearly Series 67 - Growth	3003810.607	10	300.38	—	—
23) Kotak FMP 13 Months Series 6 Growth	—	10	—	2000000	200.00
24) Kotak FMP Series 39 - Growth	—	10	—	500000	50.00
25) Principal PNB Fixed Maturity Plan (FMP-69) 91 Days - Series XXVIII - Regular Dividend Payout	—	10	—	500000	50.00
26) Sundaram Fixed Term Plan BC 366 Days Growth	2000000	10	200.00	—	—
27) TATA Fixed Maturity Plan Series 30 Scheme A - Growth	—	10	—	1000000	100.00
28) TATA Fixed Maturity Plan Series 34 Scheme C Growth	500199	10	50.02	—	—
In Units of Mutual Fund - quoted	No. of Units			No. of Units	
1) Birla Sun Life Frontline Equity Fund - Plan A - Dividend - Payout	—	10	—	216305	46.74
2) Edelweiss Absolute Return Equity Fund - Growth	—	10	—	852515	95.48
3) HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend - Reinvest	9837014.166	10	987.00	—	—
4) HDFC Equity Fund - Growth	46777.323	10	122.00	11877	32.50
5) HDFC MF Monthly Income Plan - Long Term - Growth	—	10	—	1321600	290.00
6) HDFC Top 200 Fund - Dividend - Payout	38482.331	10	75.00	121106	56.44
7) ICICI Prudential Focused Bluechip Equity Retail Dividend	—	10	—	126373	20.41
8) ICICI Prudential Interval Fund IV Quarterly Interval Plan B Institutional Dividend	—	10	—	3000000	300.00
9) Kotak Credit Opportunities Fund - Growth	—	10	—	1988213	200.00
10) Kotak Liquid (Institutional Premium) Daily Dividend	—	10	—	49167	6.01
11) Kotak Quarterly Interval Plan Series 10 - Dividend	—	10	—	5999730	600.00
12) Motilal Oswal Most 10 Year Gilt Fund - Growth	500000	10	50.00	—	—
13) Reliance Monthly Income Plan - Growth	—	10	—	764625	160.00
14) Templeton India Low Duration Fund - Growth	6725351.414	10	762.00	—	—
15) Templeton India Cash Management Account - Dividend Reinvestment	—	10	—	247481	24.75
16) Templeton India Cash Management Account - Growth Plan	761933.29	10	135.67	—	—
17) Templeton India Ultra Short Bond Fund - Super Institutional Plan Daily Dividend Reinvestment	—	10	—	13230586	1,324.59
18) Templeton India Ultra Short Bond Fund - Super Institutional Plan Growth	3557742.646	10	477.83	—	—
19) Templeton India Income Opportunities Fund - Growth	—	10	—	3000000	300.00
20) Templeton India Short Term Income - Growth	12110.561	1,000	255.19	—	—
21) Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment	31578.935	1,000	362.74	—	—
In Debentures - Unquoted, fully paid up					
1) Zero Coupon NCD of Mannapuram Finance Limited Note (*) : (NCD refers to Non Convertible Debentures.)	25	1,000,000	220.43	—	—
TOTAL			6,245.01		5,917.43
Aggregate amount of quoted investments			6,024.58		5,917.43
Aggregate market value of listed and quoted investments			6,227.08		6,109.19
Aggregate value of listed but not quoted investments					
Aggregate amount of unquoted investments			220.43		—

12 INVENTORIES :		(₹ in Lakhs)
Particulars	As at 31.03.2012	As at 31.03.2011
As taken, valued & certified by the Management		
i) Raw Materials	2,089.22	2,489.98
ii) Stock in Process	117.41	120.61
iii) Finished Goods	566.43	546.20
iv) Stock of Consumable Stores & Spare parts	14.77	12.68
	2,787.82	3,169.47
TOTAL	2,787.82	3,169.47
12.1 Inventories except Consumables Stores and Spares are valued at cost or net realisable value whichever is less.		
12.2 Consumables Stores and Spares are valued at cost.		
13 TRADE RECEIVABLES :		
(Unsecured considered good)		
a) Over six months from the date they were due for payment		
i) Considered good	5.38	18.54
ii) Considered doubtful	—	—
b) Other Debts		
i) Considered good	5,561.95	4,276.52
ii) Considered doubtful	—	—
	5,567.33	4,295.06
TOTAL	5,567.33	4,295.06
14 CASH & BANK BALANCE :		
a) Cash in Hand	21.49	12.39
b) Balance with Banks in :		
i) Current Account	631.45	200.81
ii) EEFC Account	778.36	79.43
iii) Fixed Deposit with Banks	1.53	2.12
	1,432.82	294.75
TOTAL	1,432.82	294.75
15 SHORT TERM LOANS & ADVANCES :		
(Advances recoverable in cash or in kind or for value to be received)		
i) Prepaid Expenses	36.96	3.22
ii) Balances with government authorities :		
Vat Credit Receivable	40.59	68.94
iii) Inter Corporate Deposits	255.00	155.00
iv) Other Loans and Advances :		
Unsecured, considered good	224.64	296.63
v) Advance Tax Net of Taxes	9.23	68.80
TOTAL	566.42	592.59

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16 REVENUE FROM OPERATIONS :		(₹ in Lakhs)
Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
I) Operating Income :		
a) Manufactured goods	8,175.80	7,025.55
b) Traded goods	984.03	1,188.40
	<u>9,159.83</u>	<u>8,213.95</u>
Less : Vat	—	0.43
	<u>9,159.83</u>	<u>8,213.52</u>
II) Other Operating Income :		
Bad Debts Recovered	—	1.84
TOTAL	<u><u>9,159.83</u></u>	<u><u>8,215.36</u></u>
16.01 Sale of products comprises :		
I) Manufactured goods :		
a) Sales of gold Jewellery	8,013.73	6,953.18
b) Sales of Silver Jewellery	157.48	59.99
c) Sales of Platinum Jewellery	—	11.35
d) Sales of Other Misc. Products	4.58	1.04
	<u>8,175.80</u>	<u>7,025.55</u>
16.02 II) Traded goods :		
a) Sales of Cut & Polished Diamond	980.94	1,145.16
b) Sales of Colour stones	0.40	—
c) Sales of Alloy	2.07	—
d) Sales of findings	0.62	—
e) Sales of Silver Jewellery	—	43.25
	<u>984.03</u>	<u>1,188.40</u>
17 OTHER INCOME :		
a) Debit/Credit Balance written off	0.43	0.47
b) Dividend on Units of Mutual Funds	156.57	171.25
c) Profit on sale of Current Investments (net)	327.36	66.62
d) Profit on sale of fixed assets	0.37	—
e) Rent Income	37.28	89.46
f) Dividend on shares	0.03	0.98
g) Net gain on foreign currency transaction and translation	30.66	—
h) Miscellaneous Income	0.27	0.34
i) Interest received	113.63	172.16
j) Commission received	1.90	—
TOTAL	<u><u>668.50</u></u>	<u><u>501.28</u></u>

18 RAW MATERIALS CONSUMED :

(₹ in Lakhs)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Opening Stock	2,489.98	2,214.39
Add: Purchases		
a) Gold	2,094.67	1,826.88
b) Cut & Polished Diamonds	4,060.53	3,489.49
c) Platinum	0.13	6.78
d) Gold Findings	40.41	42.57
e) Alloy	19.09	6.90
f) Colour Stone	14.31	2.99
g) Silver Models	36.36	29.89
h) Silver Findings	2.85	2.47
i) Semi Finished Gold Jewellery	106.90	507.74
j) Semi Finished Silver Jewellery	—	0.42
k) Trade Designs	9.72	30.68
	<u>8,874.96</u>	<u>8,161.21</u>
Less : Closing Stock	<u>2,089.22</u>	<u>2,489.98</u>
TOTAL	<u>6,785.75</u>	<u>5,671.22</u>

18.01 Raw Materials Consumed Comprise :

a) Gold	2,013.07	1,844.56
b) Cut & Polished Diamonds	4,528.29	3,220.65
c) Platinum	—	6.78
d) Gold Findings	32.86	29.35
e) Alloy	10.55	8.71
f) Colour Stone	11.30	1.46
g) Silver Models	53.74	14.56
h) Silver Findings	3.10	2.38
i) Semi Finished Gold Jewellery	106.90	507.74
j) Semi Finished Silver Jewellery	—	0.42
k) Trade Designs	25.93	34.60

18.02 Value of imported raw materials consumed and the value of all indigenous raw materials similarly consumed and the percentage of each to the total consumption.

Particulars	₹ in Lakhs		Percentage	
	2011-12	2010-11	2011-12	2010-11
Raw Materials :				
a) Imported	3,129.23	2,980.05	43.75%	53.22%
b) Indigenous	4,023.11	2,619.34	56.25%	46.78%

19 CHANGES IN INVESTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE :

(₹ in Lakhs)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
I) Inventories at the end of the year :		
a) Finished Goods	566.43	546.20
b) Stock in Process	117.41	120.61
	683.83	666.81
II) Inventories at the beginning of the year :		
a) Finished Goods	666.81	592.27
b) Stock in Process	—	—
	666.81	592.27
TOTAL	17.02	74.54

20 EMPLOYEE BENEFITS EXPENSES :

WAGES, SALARIES AND OTHER BENEFITS :

a) Salaries, Wages, Bonus & Ex-gratia	132.15	112.59
b) Contribution to E.S.I.C.	1.14	1.07
c) Contribution to Provident Fund	2.16	2.04
d) Contribution to Group Gratuity Scheme	0.81	0.66
e) Contribution to life cover premium under Group Gratuity Scheme	—	—
f) Workmen & Staff Welfare expenses	7.49	6.86
TOTAL	143.75	123.23

20.01 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

i) Defined Contribution Plan :

Contribution to Provident Fund is ₹0.52 Lakhs (Previous year ₹2.04 Lakhs), ESIC and Labour Welfare Fund includes ₹1.14 Lakhs (Previous year ₹1.10 Lakhs).

ii) Defined Benefit Plan :

GRATUITY & LEAVE ENCASHMENT:

The Company makes annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days service for each completed year of service or part thereof depending on the date of joining. The benefit vests after five years of continuous service.

(₹ in Lakhs)

Assumptions	Gratuity Funded 31.03.2012	Funded 31.03.2011	Leave Encashment Non Funded 31.03.2012
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:			
Present Value of obligation as at the beginning of the year	2.11	1.78	2.28
Current service cost	1.02	3.04	11.16
Interest cost	1.69	0.14	0.09
Actuarial (gain) / loss	(0.39)	(2.85)	0.87
Benefits paid	—	—	(2.35)
Present Value of obligation as at the end of the year	4.43	2.11	12.05

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(₹ in Lakhs)			
Assumptions	Gratuity		Leave
	Funded 31.03.2012	Funded 31.03.2011	Encashment Non Funded 31.03.2012
Change in Plan Assets			
Plan assets at period beginning, at fair value	3.10	2.23	—
Expected return on plan assets	0.25	0.21	—
Actuarial (gain)/loss	0.04	—	—
Contributions	0.81	0.66	—
Benefits paid	—	—	—
Plan assets at period end 2012, at fair value	4.20	3.10	—
Fair Value of Plan Assets			
Fair Value of plan assets at the beginning of the year	3.10	2.23	—
Actual return on plan assets	0.29	0.21	—
Contributions	0.81	0.66	—
Benefits paid	—	—	—
Fair Value of plan assets at the end of the year	4.20	3.10	—
Funded status	1.30	0.99	—
Excess of Actual over estimated return	NIL	NIL	—
The amounts to be recognized in the Balance Sheet and statements of Profit and Loss			
Present value of obligations as at the end of year	2.91	2.11	2.01
Fair value of plan assets as at the end of the year	4.20	3.10	—
Funded status	1.30	0.99	—
Net asset/(liability) recognized in Balance Sheet	1.30	0.99	(2.01)
Expenses for the year			
Current service cost	1.02	3.04	1.12
Interest cost on benefit obligation	0.17	0.14	0.09
Expected return on plan assets	(0.25)	(0.21)	—
Net actuarial (gain)/loss recognised in the year	(0.44)	(2.85)	0.87
Total expenses recognised in the Profit and Loss Account	0.50	0.12	2.08
Assumptions			
	Gratuity	31.03.2012	Leave
	31.03.2012	31.03.2011	Encashment 31.03.2012
Discount Rate	8.0%	8.0%	8.57%
Employee Turnover	5.0%	5.0%	2.0%
Mortality	1994-96 LIC Mortality Table (Std)		
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.			
21 FINANCE COST :			
a) Interest on Bank Loan		50.89	23.30
b) Stamp Duty		12.78	6.01
TOTAL		63.67	29.31

22 OTHER EXPENSES :				(₹ in Lakhs)
Particulars			For the year ended 31.03.2012	For the year ended 31.03.2011
Stores & Spares			25.71	16.98
Power & Water			44.05	40.75
Repairs & Maintenance (Building)			3.54	1.75
Machinery & Electrical Repairs			4.04	1.07
Grooving Charges			1.20	2.60
Insurance (Building)			0.16	0.64
Other Manufacturing Expenses			90.18	27.14
Net loss on foreign currency transaction and translation			—	271.59
Insurance charges			1.80	1.59
Rent, Rates & Taxes			19.12	16.96
Repairs & Maintenance others			12.85	8.71
Commission on Sales			98.76	102.63
Advertisement			0.92	6.29
Travelling and Conveyance			45.08	26.36
Bank charges			14.84	19.15
Telephone charges			7.35	7.44
Printing & Stationery			6.20	9.23
Auditors' Remuneration			2.02	2.02
Donation			5.17	0.79
Vehicle expenses			14.10	11.06
Portfolio Management fees			7.14	8.85
Security Transaction Tax			0.59	3.52
ECGC Premium			11.56	13.81
Exhibition Expenses			2.30	14.32
Discount to Customers			59.44	46.93
Loss on sale of assets			—	5.08
General Expenses			173.18	213.05
TOTAL			651.29	880.30
22.01 Consumable Stores & Spares :				
A Imported	16.13	8.82	62.74%	51.93%
B Indigenous	9.58	8.16	37.26%	48.07%

23 CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) The Company has outstanding performance guarantee of ₹100.19 Lakhs as on the Balance Sheet date, executed in favour of Deputy Commissioner of Customs (Previous Year ₹100.19 Lakhs).
- b) The Municipal Corporation of Greater Mumbai has preferred an appeal in the High Court of Judicature at Bombay against the order of Small Causes Court rejecting the claim of Municipal Corporation of Greater Mumbai for an amount of ₹136.97 Lakhs (Previous year ₹136.97 Lakhs) on account of property tax.
- c) The Company has executed Bank Guarantee of ₹ 2,500 Lakhs (Previous year ₹2,000 Lakhs) favouring The Hongkong and Shanghai Banking Corporation Limited and of ₹ Nil (Previous year ₹1,000 Lakhs) favouring YES Bank Limited, Mumbai for its wholly owned subsidiary, Goldiam Jewellery Limited, Mumbai.

24 Estimated amount of contracts remaining to be executed on Capital Account and not provided for is ₹ Nil (Previous year ₹ Nil)

25 Details of Related parties transactions are as under :

a) List of related parties and relationship where control exists or with whom transactions were entered into :

Sr. No.	Relationship	Name of the Related Party
i)	Subsidiaries	Diagold Designs Limited Goldiam Jewellery Limited Goldiam Jewels Limited Goldiam USA, Inc.
ii)	Associates	Goldiam HK Limited Temple Designs LLP
iii)	Key Management Personnel	Mr. Manhar R. Bhansali (Chairman & Managing Director) Mr. Rashesh M. Bhansali (Vice Chairman & Managing Director)

b) Transactions during the year with related parties:

(₹ in Lakhs)

Sr. No.	Nature of Transaction	Subsidiaries		Associates/ Joint Ventures		Key Management Personnel		Key Management Personnel of Subsidiary	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
i)	Payments to & provision for Directors' remuneration	—	—	—	—	39.71	39.07	—	—
ii)	Interest received	—	6.82	—	—	—	—	—	—
iii)	Loans refunded	—	750.46	—	—	—	—	—	—
iv)	Guarantee given	500.00	500.00	—	—	—	—	—	—
v)	Purchase of Investments	—	—	—	—	—	—	22.37	—
vi)	Purchase of Fixed Assets	74.65	—	—	—	—	—	—	—
vii)	Sale of goods	3,053.75	1,779.16	2.26	10.63	—	—	—	—
viii)	Purchase of goods	339.81	650.08	24.71	45.11	—	—	—	—
I)	Outstanding Guarantee given as on 31 st March	2,500.00	2,000.00	—	—	—	—	—	—
II)	Outstanding Receivables as on 31 st March	2,114.04	1,218.77	—	38.80	—	—	—	—
III)	Outstanding Payables as on 31 st March	126.69	33.18	0.32	2.07	3.33	3.07	—	—

c) Disclosure in respect of Transactions with related parties during the year : (₹ in Lakhs)										
Sr. No.	Nature of Transaction	Subsidiaries			Key Management Personnel		Key Management personnel of Subsidiary			Associates / Joint Ventures
		Goldiam Jewellery Limited	Diagold Designs Limited	Goldiam Jewels Limited	Goldiam USA Inc.	Rashesh M. Bhansali	Milan Mehta	Nirav Mehta	Nehal Mehta	Goldiam HK Limited
i)	Payments to & provision for Directors' remuneration	—	—	—	—	39.71 (39.07)	—	—	—	—
ii)	Interest received	— (6.82)	—	—	—	—	—	—	—	—
iii)	Loans refunded	— (750.46)	—	—	—	—	—	—	—	—
iv)	Guarantee given	500.00 (500.00)	—	—	—	—	—	—	—	—
v)	Purchase of Investments	—	—	—	—	—	9.87	6.25	6.25	—
vi)	Purchase of fixed assets	—	—	74.65	—	—	—	—	—	—
vii)	Sale of goods	552.05 (559.46)	—	—	2,501.70 (1,219.70)	—	—	—	—	2.26 (10.63)
viii)	Purchase of goods	—	0.14 (0.18)	200.55 (508.92)	139.13 (140.99)	—	—	—	—	24.71 (45.11)
I)	Outstanding Guarantee given as on 31 st March	2,500.00 (2,000.00)	—	—	—	—	—	—	—	—
II)	Outstanding Receivables as on 31 st March	55.00 (222.03)	—	—	2,059.04 (996.74)	—	—	—	—	— (38.80)
III)	Outstanding Payables as on 31 st March	—	0.00	126.69	— (33.18)	3.33 (3.07)	—	—	—	0.32 (2.07)

26 IN THE OPINION OF THE DIRECTORS:

- a) The Current Assets and Loans & Advances are approximately of the value stated, if realised in the ordinary course of business.
- b) The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

27 Amounts due from subsidiaries & Associates included under Loans and Advances, Receivables & Payables are as follows :

(₹ in Lakhs)		
Particulars	As at 31.03.2012	As at 31.03.2011
Receivables :		
Goldiam HK Limited (subsidiary upto 22.07.2009 and Joint Venture thereafter)	—	38.80
Goldiam Jewellery Limited	55.00	2,442.37
Goldiam USA, Inc.	2,059.04	996.74
Payables :		
Goldiam HK Limited (subsidiary upto 22.07.2009 and Joint Venture thereafter)	0.32	2.07
Goldiam Jewels Limited	126.69	—
Goldiam USA, Inc.	—	33.18
Diagold Designs Limited	0.00	—

28 EARNING PER SHARE :

Particulars	2011-12	2010-11
Profit after Tax	852.19	634.37
Number of shares outstanding	24945996	24945996
Weighted Average number of shares + potential shares outstanding	24945996	24945996
Earning per share (Basic) (₹)	3.42	2.54
Earning per share (Diluted) (₹)	3.42	2.54

29 JOINT VENTURE :

In compliance with the Accounting Standard relating to "Financial Reporting of Interests in Joint Ventures" (AS-27), issued by the Institute of Chartered Accountants of India, the Company has interests in the following jointly controlled entity, which is incorporated outside India.

Name of the Company	Incorporated in	For the year ended 31.03.2012 (in percentage)	For the period ended 31.03.2011 (in percentage)
Goldiam HK Limited	Hong Kong	49.93%	49.93%

(₹ in Lakhs)		
Goldiam HK Limited	For the year ended 31.03.2012	For the period ended 31.03.2011
Proportionate Reserves and Surplus as at the beginning of the year	(84.79)	(102.56)
Proportionate Transfer to Reserves	—	—
Proportionate Surplus/(Deficit) in Profit and Loss Account (net of transfer to reserves, dividend etc.)	35.13	17.77
Proportionate Reserves and Surplus as at the end of the year	(49.66)	(84.79)

(₹ in Lakhs)

		As on 31.03.2012		For the year ended on 31.03.2012	
Name of the Company & Country of Incorporation	Percentage of Shareholding	Assets	Liabilities	Income	Expenditure
Goldiam HK Limited, Hong Kong	49.93% (49.93%)	737.84 (4,625.46)	364.44 (2,617.86)	795.98 (813.96)	760.86 (792.06)

29.01 The above figures have been taken from audited accounts of Joint Venture as on 31st March, 2012 and converted at the exchange rate prevailing as on the date of Balance Sheet of Joint Venture.

Contingent liabilities in respect of Joint Venture is ₹ Nil

30 Details of payment made to the Managing Directors and Directors :

(₹ in Lakhs)

PARTICULARS	MANAGING DIRECTORS	OTHER DIRECTORS	TOTAL 2011-12	TOTAL 2010-11
i) Salaries	36.00	—	36.00	36.00
ii) Perquisites	0.37	—	0.37	—
iii) Bonus	—	—	—	—
iv) Commission	3.33	—	3.33	3.07
v) Sitting Fees	—	1.80	1.80	1.80
TOTAL	39.70	1.80	41.50	40.87

31 VALUE OF IMPORTS ON C.I.F. BASIS :

(₹ in Lakhs)

Particulars	2011-12	2010-11
i) Raw Materials	3,345.90	2,752.44
ii) Consumable Stores	15.22	7.71
iii) Capital Goods	28.79	20.82

32 EXPENDITURE IN FOREIGN CURRENCY :

Foreign Travels	15.83	11.10
Other Expenses	19.32	26.16

33 REMITTANCE IN FOREIGN EXCHANGE CURRENCY ON ACCOUNT OF DIVIDEND :

Year to which Dividend relates	2011-12	2010-11
Number of Foreign Company	1	1
Number of shares on which remittances were made	27.00	27.00
Net Dividend	29.70	54.00

34 EARNINGS IN FOREIGN EXCHANGE :

F.O.B. Value of Exports	8,572.02	7,187.92
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35 The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the Circular. The Company has satisfied the conditions stipulated in the Circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

36 FINANCIAL INSTRUMENTS / FORWARD CONTRACTS :

The Company has entered into following forward / derivative instruments :

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward contracts and option contracts, where the counterparty is bank. The forward contract or options are not used for trading or speculation purpose.

36.01 Unhedged foreign currency exposure :

PARTICULARS	CURRENCY	31.03.2012		31.03.2011	
		In Lakhs	₹ in Lakhs	In Lakhs	₹ in Lakhs
Outstanding Receivables & Loan	US \$	32.82	1,679.13	60.18	2,622.13
Outstanding creditors for goods and spares	US \$	38.93	1,991.74	28.05	1,252.60
Exchange Earner's Foreign Currency a/c with Banks	US \$	15.2153	778.36	1.76	78.50
Outstanding creditors for spares	EURO	0.003	0.20	0.008	0.05
Packing credit in foreign currency with Bank	US \$	7.01	358.61	17.55	783.84
Post shipment credit in foreign currency with Bank	US \$	33.55	1,716.29	1.43	63.91

37 INFORMATION GIVEN IN ACCORDANCE WITH THE REQUIREMENTS OF AS 17 ON "SEGMENT REPORTING" :

The Company has identified Two Reportable Segments viz. Jewellery Manufacturing and Investment Activity. Segments have been identified and reported taking into account nature of products and services, the different risks and returns and the internal business reporting systems.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and Segment Liabilities represents assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(i) Primary Segment Information :

(₹ in Lakhs)

	JEWELLERY	Year to 31.03.2012		TOTAL
		INVESTMENTS ACTIVITY	OTHERS (Unallocated)	
Segment Revenue	9,230.37	597.96	—	9,828.33
Segment Results	585.18	597.96	—	1,183.14
Less: unallocated expenses net of unallocated (income)	—	—	(37.29)	(37.29)
Interest expenses (Net)	—	—	—	63.67
Profit before tax	—	—	—	1,082.19
Depreciation and Amortisation	—	—	—	134.68
Non cash expenses other than Depreciation and Amortisation	—	—	—	—
Segment Assets	10,821.72	8,504.49	1,506.92	20,833.14
Segment Liabilities (excluding Shareholders' Funds)	4,347.13	—	212.67	4,559.80

Goldiam International Limited

	(₹ in Lakhs)			
	JEWELLERY	Year to 31.03.2011 INVESTMENT ACTIVITY	OTHERS (Unallocated)	TOTAL
Segment Revenue	7,954.33	411.02	—	8,365.34
Segment Results	464.45	397.65	—	862.10
Less: unallocated expenses net of unallocated (income)	—	—	(28.94)	(28.94)
Interest expenses (Net)	—	—	—	29.32
Profit before tax	—	—	—	803.85
Depreciation and Amortisation	—	—	—	136.98
Non cash expenses other than Depreciation and Amortisation	—	—	—	—
Segment Assets	9,906.87	7,744.23	397.36	18,048.46
Segment Liabilities	2,198.45	—	20.97	2,219.43
(excluding Shareholders' Funds)				

The Company has identified Geographic Segments as its Secondary Segment

Secondary segmental reporting is based on the geographical location of the customers. The geographical segments have been disclosed on revenues within India (Sales to customers in India) and revenues outside India (Sales to customers outside India).

(ii) Secondary Segment Information :

	(₹ in Lakhs)	
Particulars	2011-12	2010-11
1. Segment Results :		
Within India	—	(26.90)
Exports outside India	585.18	491.35
Total Revenue	585.18	464.45
2. Segment Assets :		
Within India	55.00	65.51
Exports outside India	10,766.72	9,841.36
Total Assets	10,821.72	9,906.87
3. Segment Liabilities :		
Within India	—	—
Exports outside India	4,347.13	2,198.45
Total Liabilities	4,347.13	2,198.45

38 REMUNERATION TO AUDITORS :

(₹ in Lakhs)

Particulars	2011-12	2010-11
As Auditors	1.92	1.92
Tax Audit Fees	0.10	0.10
Total	2.02	2.02

39 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956 notified by MCA vide its notification no. 447(E) dated February 28, 2011. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

40 The financial statements for the year 31st March, 2012 has been prepared as per the Revised Schedule VI to the Companies Act, 1956. Accordingly, the previous year's figures have been regrouped and rearranged wherever necessary to make in compliance with the current financial year.

As per our report of even date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 26th May, 2012

Place : Mumbai
Date : 26th May, 2012

AUDITORS' REPORT

ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS

1. We have audited the attached Consolidated Balance Sheet of GOLDIAM INTERNATIONAL LIMITED ("the Company") and its subsidiaries ("the Group") as at 31st March, 2012, the Consolidated Profit and Loss Account of the Company for the year ended on that date annexed thereto and Consolidated Cash Flow Statement for the year ended on that date. The consolidated financial statements include jointly controlled entity accounted in accordance with Accounting Standard on Financial Reporting of Interests in Joint Ventures (AS-27). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and free of material mis-statement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of one of the subsidiary and a Joint Venture with total asset (net) ₹746.52 Lakhs as at 31st March, 2012 and total net profit of ₹110.23 Lakhs and cash flow amounting to ₹116.48 Lakhs for the year ended on that date have been audited/reviewed by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and Joint Venture, is based solely on the reports of the other auditors.
4. The consolidated financial statements have been prepared by using proportionate consolidation as is required by the Accounting Standard 27, Financial Reporting of Interests in Joint Ventures, issued by the Institute of Chartered Accountants of India.
5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS-21), Consolidated Financial Statements, (AS-27) Financial Reporting of Interests in Joint Ventures and on the basis of the separate audited financial statements of the Company, as notified by the Companies (Accounting Standards Rules), 2006.
6. Based on our audit and consideration of reports of other auditors on separate financial statements of the subsidiaries, unaudited accounts of Joint Venture of the subsidiary and to the best of our information and according to the explanations given to us, we are of the opinion that the aforesaid consolidated financial statements read together with our comments in paragraph 4 & 5 above regarding unaudited financial statements of subsidiary give true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2012;
 - ii) in the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date and
 - iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

Pulindra M. Patel
Proprietor
Membership No. 48991

Place: Mumbai
Date: 26th May, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes No.		As at 31.03.2012	(₹ in Lakhs) As at 31.03.2011
I) EQUITY & LIABILITIES :				
1) SHAREHOLDERS' FUNDS :				
a) SHARE CAPITAL	1	2,494.60		2,494.60
b) RESERVES AND SURPLUS	2	18,421.87		17,216.33
c) MONEY RECEIVED AGAINST SHARE WARRANTS		—		—
			20,916.47	19,710.93
2) MINORITY INTEREST			1,375.73	1,500.94
3) NON-CURRENT LIABILITIES				
a) LONG - TERM BORROWINGS	3	—		600.00
b) DEFERRED TAX LIABILITY (NET)		—		—
c) OTHER LONG TERM LIABILITIES		—		—
d) LONG - TERM PROVISIONS		—		—
			—	600.00
4) CURRENT LIABILITIES				
a) SHORT TERM BORROWINGS	4	6,943.71		4,366.87
b) TRADE PAYABLES	5	5,499.79		4,235.52
c) OTHER CURRENT LIABILITIES	6	226.68		258.55
d) SHORT - TERM PROVISIONS	7	189.21		33.66
			12,859.39	8,894.60
TOTAL			35,151.60	30,706.47
II) ASSETS :				
1) NON - CURRENT ASSETS				
a) FIXED ASSETS				
i) TANGIBLE ASSETS	8	1,677.43		1,863.00
ii) INTANGIBLE ASSETS		1.82		2.25
iii) CAPITAL WORK - IN - PROGRESS		—		—
iv) INTANGIBLE ASSETS UNDER DEVELOPMENT		—		—
b) NON - CURRENT INVESTMENT	9	1,863.28		1,421.90
c) DEFERRED TAX ASSETS (NET)	10	85.68		123.52
d) LONG - TERM LOANS & ADVANCES	11	103.85		69.59
e) OTHER NON - CURRENT ASSETS	12	4.15		5.38
			3,736.21	3,485.64
2) CURRENT ASSETS				
a) CURRENT INVESTMENT	13	7,821.42		5,917.43
b) INVENTORIES	14	9,742.66		9,723.14
c) TRADE RECEIVABLES	15	10,430.14		10,034.77
d) CASH & BANK BALANCE	16	2,483.75		636.14
e) SHORT - TERM LOANS & ADVANCES	17	937.42		909.35
f) OTHER CURRENT ASSETS		—		—
			31,415.39	27,220.83
TOTAL			35,151.60	30,706.47

**SIGNIFICANT ACCOUNTING POLICIES
NOTES TO ACCOUNTS**

1 to 41

In our report of even date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 26th May, 2012

Place : Mumbai
Date : 26th May, 2012

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes No.	Current Year	(₹ in Lakhs) Previous Year
I) REVENUE FROM OPERATIONS	18	24,527.41	23,908.54
II) OTHER INCOME	19	797.49	513.35
III) TOTAL REVENUE (I+II)		<u>25,324.91</u>	<u>24,421.89</u>
IV) EXPENSES :-			
a) COST OF MATERIALS CONSUMED	20	18,038.95	18,488.06
b) PURCHASES OF STOCK-IN-TRADE		1,870.77	2,791.85
c) CHANGES IN INVENTORIES OF FINISHED GOODS			
d) WORK-IN-PROGRESS AND STOCK-IN-TRADE	21	222.62	(1,719.61)
e) EMPLOYEE BENEFITS EXPENSES	22	520.63	476.99
f) FINANCE COSTS	23	333.65	265.52
g) DEPRECIATION / AMORTISATION	8	209.52	230.31
h) OTHER EXPENSES	24	2,007.43	1,854.48
TOTAL EXPENSES		<u>23,203.58</u>	<u>22,387.60</u>
V) PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		2,121.32	2,034.29
VI) EXCEPTIONAL ITEMS	25	72.96	12.43
VII) PROFIT BEFORE TAX (V-VI)		<u>2,048.37</u>	<u>2,021.85</u>
VIII) TAX EXPENSES :			
– CURRENT TAX		430.98	170.77
– DEFERRED TAX		40.05	32.98
IX) PROFIT/(LOSS) FOR THE PERIOD FORM CONTINUING OPERATIONS		<u>1,577.34</u>	<u>1,818.10</u>
ADD/LESS : SHARE OF PROFIT/(LOSS) OF MINORITY INTEREST		54.36	41.16
ADJUSTMENT ON CHARGE IN HOLDING IN SUBSIDIARY			7.43
X) PROFIT/(LOSS) FOR THE PERIOD		<u>1,522.98</u>	<u>1,866.70</u>
XI) EARNINGS PER EQUITY SHARE (Face Value ₹ 10/-) :			
BASIC		6.11	7.48
DILUTED		6.11	7.48
SIGNIFICANT ACCOUNTING POLICIES			
NOTES TO ACCOUNTS	1 to 41		

In our report of even date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 26th May, 2012

Place : Mumbai
Date : 26th May, 2012

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	2011-12	2010-11
		(₹ in Lakhs)
A) CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	2,048.37	2,021.85
ADJUSTMENT FOR :		
Depreciation (Notes 2.10)	209.52	230.31
(Profit)/Loss on sale of Investment (Net)	(354.77)	(66.62)
Revaluation Loss on Investment	—	28.39
Interest received & paid	196.20	83.09
(Profit)/Loss on sale of Assets	72.96	4.91
Dividend received	(156.94)	(172.23)
Miscellaneous expenditure written off	1.23	12.87
Short or Excess Provision written off	—	(20.69)
Share of Minority Interest	(179.57)	(42.41)
Adjustment for Change of Holding & Translation Reserves	(111.00)	14.46
Loss on Sale of Fixed Assets	72.96	—
Loss on Investment written off	—	12.43
	(249.42)	85.51
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,798.95	2,106.37
ADJUSTMENT FOR :		
Trade and other Receivable	(456.47)	(2,326.62)
Inventories	(19.52)	(1,104.48)
Trade Payable	1,251.82	(327.02)
	775.84	(3,758.13)
CASH GENERATED FROM OPERATIONS	2,574.78	(1,651.76)
Interest Paid	(333.65)	(265.52)
Direct Tax Paid	(406.96)	(257.24)
	(740.60)	(522.76)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	1,834.18	(2,174.52)
NET CASH FROM OPERATING ACTIVITIES	1,834.18	(2,174.52)
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(115.87)	(212.76)
Sale of Fixed Assets	91.93	31.81
Purchase of Investments	(14,502.45)	(39,617.93)
Sale of Investments	12,517.48	39,997.47
Interest received	137.45	182.43
Dividend received	156.94	172.23
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(1,714.52)	552.26
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) of Long Term Borrowing	1,976.84	1,825.54
Dividend paid	(274.41)	(498.92)
NET CASH USED IN FINANCING ACTIVITIES	1,702.44	1,326.62
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,822.10	(295.64)
CASH AND CASH EQUIVALENTS AS AT 01.04.2011	633.02	928.66
CASH AND CASH EQUIVALENTS AS AT 31.03.2012	2,455.12	633.02

As per our report of even date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 26th May, 2012

Place : Mumbai
Date : 26th May, 2012

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SIGNIFICANT ACCOUNTING POLICIES :

A) NATURE OF OPERATIONS :

Goldiam International Limited ("Parent Company" or the "The Company"), a public limited company, together with its subsidiaries joint venture and associates (hereinafter collectively referred to as the "Group") operates as a manufacturer of diamond studded Gold, Platinum and Silver Jewellery. The business includes entire chain of marketing, production and distribution of Jewellery all over the world.

The Parent Company's shares are listed for trading on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

B) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

- i) a) The financial statements have been prepared in compliance with all material aspects with Accounting Standard notified by Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable.
- b) The financial statements are based on historical cost convention and are prepared on accrual basis.
- c) Accounting Policies have been consistently applied by the Group and are consistent with those used in the previous year.
- d) The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.
- ii) These consolidated financial statements have been prepared and presented under the historical cost convention, except as disclosed in the financial statements, on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standard (AS-21) "Consolidated Financial Statements" and Accounting Standard (AS-27) "Financial Reporting of Interests in Joint Ventures" in consolidated financial statements to the extent applicable.
- iii) The financial statements are prepared under historical cost convention, on accrual basis, and have been prepared in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India. The accounting policies have been consistently applied by the Group unless otherwise stated.
- iv) In preparing Group's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period; actual results could differ from those estimates.
- v) The financial statements of the Company, its subsidiaries and Joint Ventures are drawn up to the same reporting date i.e. 31st March, 2012.

C) PRINCIPLES OF CONSOLIDATION :

- i) The consolidated financial statements relate to GOLDIAM INTERNATIONAL LIMITED ("the Company"), its subsidiaries, consolidated financial statements of subsidiary and Joint Venture ("The Group") which have been prepared in accordance with Accounting Standards on Consolidated Financial Statements, (AS-21) and Financial Reporting of Interests in Joint Ventures (AS-27) issued by the Institute of Chartered Accountants of India.
- ii) The financial statements of the Company and its subsidiary companies is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- iii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised and shown as Translation Reserves.
- iv) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of Profit and Loss Account, being the profit or loss on disposal of investment in subsidiary.

- v) The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The Parent Company's net worth in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of the entities as on the date of the investment.
- vi) Minority interest in the net assets of the consolidated subsidiaries consists of :
 - a) The amount of equity attributable to minorities at the date on which accounts are made.
 - b) The minorities' share of movements in the reserves since the date the parent-subsidiary relationship came into existence.
- vii) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.
- viii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- ix) **The basis of consolidation for Joint Venture :**

In preparing consolidated financial statements the consolidation of Joint Venture is done on proportionate consolidation method.

 - a) Revenue items are consolidated at the average rate prevailing during the year. Monetary items of Receivables and Payables of the Joint Venture have been translated using the closing exchange rate at the date of the Balance Sheet.
 - b) Fixed Assets of the Joint Venture have been translated at the transaction date.
 - c) The net exchange difference resulting from the translation of the items in the financial statements of Joint Venture have been recognised as income or expense for the period.

D) ACCOUNTING POLICIES:

i) FIXED ASSETS :

a) Tangible Assets :

Fixed assets (excluding land & building) are stated at historical cost less accumulated depreciation. Land of one of the subsidiary has been revalued as on 31st March, 2007 at replacement values. Difference in replacement value and historical cost has been transferred to Revaluation Reserve account of the subsidiary in that year. No depreciation has been charged on revalued asset as the revaluation is with respect to Land.

b) Intangible Assets :

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion.

ii) DEPRECIATION :

Depreciation on assets is provided on "Written-down Value" method (except in the case of Joint Venture, namely Goldiam HK Limited) the depreciation is provided at the rates based on the estimated useful life of the respective assets, as determined by the management or on the minimum depreciation rates as prescribed under the domestic law of the Subsidiary, whichever is higher. Depreciation in respect of Goldiam Jewels Limited is provided on Straight-line method. Depreciation on assets in Limited Liability Partnership firm (Temple Designs LLP) is provided as allowable under Income Tax Act, 1961. The effect of the same is not significant in the consolidated financial statement.

iii) IMPAIRMENT OF ASSETS :

- a) At each Balance Sheet date, the Group determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS-28) "Impairment of Assets". A provision for impairment loss is made wherever the carrying amount of an asset exceeds its recoverable amount. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if no impairment loss had been recognized.
- b) After Impairment, depreciation is provided on the revised carrying amount of the assets.

iv) INVENTORIES :

- a) Raw materials are valued at cost or market value, whichever is lower on First In First Out (FIFO) basis.
- b) Stores and Spares are valued at cost on First In First Out (FIFO) basis.
- c) Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Trading goods are valued at cost or net realisable value, whichever is lower.

v) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

Monetary Assets (including bank account maintained in foreign currency) except those which are covered by forward exchange contracts and monetary liabilities, i.e. items to be received or paid in foreign currency, are stated at the exchange rates prevailing on the date of Balance Sheet. In case of transactions which are covered by forward exchange contracts, the difference between the forward rate and the spot rate is recognised as income or expense over the life of contracts. Realised gains and losses on foreign currency transactions are recognised in the Profit & Loss Account.

Reporting currency for the group is Indian Rupees. The functional currency of foreign subsidiary is US Dollar and of Joint Venture is HK Dollar. In preparing consolidated financial statements both monetary and non-monetary assets and liabilities are translated using the exchange rate as at the Balance Sheet date and revenues, cost and expenses are translated using average of exchange rates during the reporting period. Share capital and opening Reserves and Surplus, opening Fixed Assets are carried at historical cost. Resultant currency translation exchange gain/loss is disclosed as "Foreign Currency Translation Reserve" in Reserves and Surplus.

Monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and is recognised over the life of the contract.

Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognised as income or expense for the year. In respect of foreign currency option contracts which are entered into to hedge highly probable forecasted transactions the cost of these contracts, if any, is expensed over the period of the contract. Any profit or loss arising on settlement or cancellation of currency options is recognised as income or expense for the period in which settlement or cancellation takes place.

vi) INVESTMENTS :

- a) Investments that are intended to be held for more than a year from the date of acquisition and those having fixed maturity period of more than a year are classified as long-term investments and are stated at cost. Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.
- b) Current investments are valued at cost or market value on scrip wise basis. Cost is determined on First In First Out (FIFO) basis.
- c) Reclassification of investments are made at the lower of cost and fair value at the date of transfer.

vii) RECOGNITION OF INCOME AND EXPENDITURE :

Revenues/Incomes and Costs/Expenditures are generally accounted on accrual basis as they are earned or incurred.

SALES :

Domestic sales are accounted on dispatch of products to customers and Export sales (net of returns) are accounted on the basis of dates of Airway Bills. Domestic Sales are disclosed net of Value Added Tax, discounts and returns as applicable.

DIVIDEND :

Revenue is recognised when the right to receive is established.

INTEREST:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

viii) RETIREMENT BENEFITS TO EMPLOYEES

a) Defined Contribution Plan :

Employee benefits in the form of contribution to Provident Fund managed by Government authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

b) Defined Benefit Plan :

Retirement benefit in the form of Gratuity benefit is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation.

Gratuity :

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of given years of service. The company makes contribution to employees group gratuity fund established by Life Insurance Corporation of India. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Profit and Loss account in the period in which they arise.

ix) SEGMENT INFORMATION :

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole and the Company has two business segments viz. Jewellery Manufacturing and Investment Activity.

x) EARNING PER SHARE :

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period are adjusted for events of rights issue. For the purpose of calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xi) PROVISION FOR CURRENT AND DEFERRED TAX :

Tax expense comprises of Current and Deferred tax :

Income tax expense comprises current and deferred tax in Consolidated Profit and Loss Account is the aggregate of the amounts of tax expense appearing in the separate financial statements of the Parent Company and its subsidiaries and associates. The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to each entity using tax rates enacted or substantially enacted at the Balance Sheet date.

Deferred income tax reflects the impact of current year timing differences between taxable income / losses and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured on the tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In respect of carry forward losses deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such losses can be setoff.

xii) PROVISIONS/CONTINGENCIES :

A Provision is created when an enterprise has a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount and it is probable that an outflow of resources will be required to settle the obligation. A disclosure for contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, if it has become virtual certain that an inflow of economic benefits will arise, assets and related income are recognised in the financial statements of the period in which the change occurs.

xiii) MISCELLANEOUS EXPENDITURES :

Miscellaneous Expenditure in the form of preliminary expense Preliminary expenses are reflected as non current assets and are written off in ten equal instalments.

CONSOLIDATED NOTES TO BALANCE SHEET AS ON 31ST MARCH, 2012

1 SHARE CAPITAL :

(₹ in Lakhs)

Particulars	As at 31.03.2012	As at 31.03.2011
AUTHORISED CAPITAL		
31000000 Equity Shares of ₹10/- each		
(Previous year 31000000 Equity Shares of ₹10/- each)	3,100.00	3,100.00
	<u>3,100.00</u>	<u>3,100.00</u>
Issued capital		
24945996 Equity Shares of ₹10/- each		
(Previous year 24945996 Equity Shares of ₹10/- each)	2,494.60	2,494.60
	<u>2,494.60</u>	<u>2,494.60</u>
Subscribed and Paid up Capital		
24945996 Equity Shares of ₹10/- each		
(Previous year 24945996 Equity Shares of ₹10/- each)	2,494.60	2,494.60
	<u>2,494.60</u>	<u>2,494.60</u>
TOTAL	<u>2,494.60</u>	<u>2,494.60</u>

- 1.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:
Details to be given for each class of shares separately for Issued, Subscribed and fully paid up and Subscribed but not fully paid up, as applicable.

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Year ended 31 March, 2012		
— Number of shares	24945996	24945996
— ₹ in Lakhs	2,494.60	2,494.60
Year ended 31 March, 2011		
— Number of shares	24945996	24945996
— ₹ in Lakhs	2,494.60	2,494.60
Equity shares with differential voting rights		
Year ended 31 March, 2012	—	—
Year ended 31 March, 2011	—	—

- 1.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mr. Manhar Bhansali	7103428	28.48%	7,103,428	28.48%
Mr. Rashes Bhansali	5600000	22.45%	5350000	21.45%
M/s Diajewel N.V.	2700000	10.82%	2700000	10.82%
Equity shares with differential voting rights	—	—	—	—

- 1.3 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31.03.2012	As at 31.03.2011
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	—	—
Fully paid up by way of bonus shares	—	—
Shares bought back	2086804	2086804
Equity shares with differential voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	—	—
Fully paid up by way of bonus shares	—	—
Shares bought back	—	—

2 RESERVES AND SURPLUS :		(₹ in Lakhs)	
Particulars	As at 31.03.2012	As at 31.03.2011	
1. Capital Redemption Reserve			
As per last Balance Sheet	208.68	208.68	
2. Capital Reserve			
As per last Balance Sheet	479.70	479.70	
Add : on consolidation (Net)	68.21	—	
	547.91	479.70	
3. General Reserve			
As per last Balance Sheet	4,925.38	4,925.38	
Add : Transfer from P & L A/C	55.00	—	
	4,980.38	4,925.38	
4. Profit & Loss Account			
Surplus-Opening Balance	11,573.30	9,997.50	
Add : Net Profit after tax transferred from Statement of Profit and Loss	1,522.98	1,866.70	
Amount available for appropriation	13,096.28	11,864.20	
Less : Appropriations			
Transferred to General Reserve	55.00		
Interim Dividend	274.41	249.46	
Proposed Dividend	99.78		
Tax on Interim / Proposed Dividend	63.95	41.43	
Balance in profit and loss account	12,603.15	11,573.31	
5. Foreign Currency Translation Reserves	81.75	29.25	
TOTAL	18,421.87	17,216.33	
3 LONG TERM BORROWINGS :			
Unsecured Loans:			
Loans & Advances from related parties			
a) From Director	—	600.00	
b) From Others	—	—	
TOTAL	—	600.00	
4 SHORT TERM BORROWINGS :			
a) Secured Loans :			
Working Capital Loans			
From Bank :			
a) Foreign Currency Loans	5,037.62	2,625.50	
b) Rupee Loans	1,249.84	1,726.82	
Motor Car Loan :			
Bank Car Loan	4.89	11.45	
4.1 Working Capital Loans :			
a) ₹144.50 Lakhs (Previous Year ₹ 847.75 Lakhs) is secured by pari passu charge on present & future Inventories, Receivables of Goldiam International Limited.			
b) ₹ 1930.40 Lakhs (Previous Year ₹ Nil) Secured by Pledge in investments in Fixed Monthly Plans (FMP) through Citi Bank N.A.			
2000000 Units of Sundaram Fixed Term Plan -BC-366 days Growth			
2500000 Units of DWS Fixed Term Fund Series 85 (371 days Growth)			
1700000 Units of DSP Black Rock FMP 12 Months Series - 24			
9320639.984 Units of HDFC Cash Management Fund Treasury Advantage Plan			
30863.969 Units of Templeton India Short Term Income Plan Monthly Dividend			
30732.607 Units of IDFC Fixed Maturity Plan yearly Series 67 Growth			

Goldiam International Limited

(₹ in Lakhs)		
Particulars	As at 31.03.2012	As at 31.03.2011
c) ₹ 2,210.19 Lakhs (Previous Year ₹ 2,558.73 Lakhs) is secured by hypothecation of Stock, Debtors and Inventories and equitable mortgage of Leasehold Land and Factory Building at R-1 Cama Industrial Estate, Walbhat Road, Goregaon (East), Mumbai-400063.		
d) ₹ 2,002.37 Lakhs (Previous Year ₹ 945.84 Lakhs) is secured by first pari passu charge on present & future Inventories, Receivables of Goldiam Jewellery Limited and Corporate Guarantee by M/s. Goldiam International Limited		
b) Unsecured Loans		
Loan from Director	630.96	—
Loan from Others	20.40	3.10
TOTAL	6,943.71	4,366.87
Details of term of repayment and rate of interest are as set out below:		
Type of Loan	Rate of Interest	Maturity Period
Pre-shipment credit in foreign currency	2.00% to 2.60%	April-12 to Aug-12
Post shipment credit in foreign currency	2.50% to 3.25%	Sept-12 to Jan-13
Pre-shipment credit in foreign currency	2.25% to 4.25%	April-12 to Aug-12
Post shipment credit in foreign currency	2.25% to 4.25%	Sept-12 to Jan-13
Sundaram Fixed Term Plan - BC-366 days Growth	—	13.06.2012
DWS Fixed Term Fund Series 85 (371 days Growth)	—	02.07.2012
DSP Black Rock FMP 12 Months Series - 24	—	03.07.2012
IDFC Fixed Maturity Plan yearly Series 67 Growth	—	11.03.2013
Cash Credit Loan payable to bank	13% to 15%	Renewable at the option of the bank
5 TRADE PAYABLES :	(₹ in Lakhs)	
Particulars	As at 31.03.2012	As at 31.03.2011
i) Dues of Micro, Medium & Small Enterprises (*)	20.28	67.46
ii) Others	5,479.51	4,168.06
	5,499.79	4,235.52
TOTAL	5,499.79	4,235.52

6 OTHER CURRENT LIABILITIES :		(₹ in Lakhs)	
Particulars	As at 31.03.2012	As at 31.03.2011	
a) Statutory dues payable	22.59	18.60	
b) Payables on Purchase of Fixed Assets :			
i) Dues of Micro, Medium & Small Enterprises (*)	0.51	—	
ii) Others	—	—	
c) Accrued salaries and benefits :			
i) Salaries due to director	3.33	21.47	
ii) Salaries due to others	34.04	11.20	
d) Provisions for expenses	69.46	87.94	
e) Gratuity obligations	6.72	—	
f) Other payables :	—	—	
i) Dues of Micro, Medium & Small Enterprises (*)	7.39	—	
ii) Others	24.58	88.57	
g) Security Deposit received	0.50	0.50	
h) Overdrawn Balance with Bank	28.63	3.12	
i) Advance received from clients	28.93	27.15	
TOTAL	226.68	258.55	
6.01 (*) DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES :			
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	28.18	67.46	
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL	
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL	
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL	
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL	
7 SHORT TERM PROVISIONS :			
a) Provision for employee benefits :			
Provision for Leave	4.98	—	
b) Provision for others :			
i) Proposed Dividend	99.78	—	
ii) Provision for Tax on Proposed Dividend	19.43	—	
iii) Provisions for Income Tax	62.71	32.10	
iv) Provision for Wealth Tax	2.31	1.56	
TOTAL	189.21	33.66	
	189.21	33.66	

8 FIXED ASSETS									
(₹ in Lakhs)									
Sr. Description No.	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Cost as on 01.04.2011	Addition	Deduction	Cost as on 31.03.2012	As on 01.04.2011	For the Year	Deduction	As on 31.03.2012	As on 31.03.2011
A) TANGIBLE									
1 GOODWILL ON CONSOLIDATION	14.90	—	14.90	—	14.07	—	14.07	—	0.83
2 LAND	506.47	—	—	506.47	—	—	—	506.47	506.47
3 FACTORY BUILDING	656.67	—	47.44	609.23	424.42	19.87	7.73	436.55	232.25
4 OFFICE PREMISES	647.23	—	—	647.23	215.06	22.06	—	237.13	432.16
5 FURNITURE & FIXTURE	495.50	24.47	8.77	511.20	383.66	31.33	2.94	412.05	111.84
6 OFFICE EQUIPMENT	104.74	4.44	10.28	98.89	60.79	5.12	1.77	64.14	43.95
7 PLANT & MACHINERY									
A) MACHINERY	686.78	37.75	25.02	699.51	505.80	43.23	17.00	532.04	180.98
B) COMPUTERS	196.87	12.82	—	209.69	178.50	13.67	—	192.17	18.37
C) AIR CONDITIONER	95.05	0.23	—	95.28	62.80	4.11	—	66.91	32.25
D) LIFT	16.94	—	—	16.94	16.48	0.24	—	16.72	0.46
E) ELECTRICAL INST.	250.94	1.59	30.21	222.31	163.69	9.15	7.18	165.66	87.25
8 VEHICLES	336.46	34.15	35.74	334.86	120.26	59.88	29.32	150.82	216.20
TOTAL (A)	4,008.54	115.44	172.37	3,951.61	2,145.54	208.66	80.02	2,274.18	1,863.00
B) INTANGIBLE :									
1 COMPUTER SOFTWARE	12.67	0.43	—	13.10	10.41	0.86	—	11.28	2.25
TOTAL (B)	12.67	0.43	—	13.10	10.41	0.86	—	11.28	2.25
TOTAL (A+B)	4,021	116	172	3,965	2,156	210	80	2,285	1,865
PREVIOUS YEAR	3,961.26	212.76	152.82	4,021.21	2,008.69	230.31	83.04	2,155.95	1,865.25

Note: 1. Office Premises includes ₹0.05 Lakhs the value of share in a co-operative society.
2. Depreciation on Plant & Machinery includes impairment loss of ₹Nil
3. Deduction in fixed assets includes ₹ 39.71 Lakhs written off as impairment

9 NON - CURRENT INVESTMENT						(₹ in Lakhs)
Particulars	No. of Shares	Face Value	As at 31.03.2012	No. of Shares	As at 31.03.2011	
(Long Term Investments)						
In Equity Shares - Unquoted, fully paid up						
Sip Technologies Limited	1891	10	0.19	1891	0.19	
OTHER THAN TRADE:						
In Equity Shares - Quoted, fully paid up						
1) Classic Diamonds (I) Ltd	5	2	0.00	5	0.00	
2) Gujarat Pipavav Ports Ltd	—	10	—	51500	0.52	
3) Reliable Ventures Ltd	50000	10	7.45	50000	8.90	
4) S B & T International Ltd	1	10	0.00	1	0.00	
5) Shrenuj & Co Ltd	5	2	0.00	5	0.00	
6) Suashish Diamonds Ltd	1	10	0.00	1	0.00	
7) Suraj Diamonds & Jewellery Ltd	1	10	0.00	1	0.00	
8) Titan Industries Ltd **	20	1	0.00	10	0.00	
**Sub Division into Re 1 & Received 10 Bonus Shares						
In Redeemable Preference Shares - Unquoted, fully paid						
K.S.Realty Construction Private Limited	2750	10	0.28	2750	0.28	
In Units of Mutual Fund - Quoted, fully paid up						
1) Birla Sunlife Fixed Term Plan Series CX - Growth	—	10	—	2513848	251.38	
2) DSP Blackrock FMP 13 M Series 04 - Growth	—	10	—	500000	50.00	
3) ICICI Prudential FMP Series 54 - 1 Year Plan A Cumulative	—	10	—	5000000	500.00	
4) IDFC Fixed Maturity Plan Thirteen Months Series 7 - Growth	2199990	10	220.00	—	—	
5) Reliance Fixed Horizon Fund XXI - Series 18 - Growth Plan	1750000	10	175.00	—	—	
In Bond - Quoted, fully paid up						
1) 8.20% Tax Free National Highways Authority of India 10 Years Bond	14834	1,000	148.34	—	—	
2) 8.10% Tax Free Housing and Urban Development Corporation Limited 10 Yrs Bond	22676	1,000	226.76	—	—	
In Debentures - Quoted, fully paid up						
1) Deutsche Investment India Pvt Ltd - NCD series 33 04 March 2014	100	100,000	88.71	100	91.70	
2) Deutsche Investments India Pvt Ltd SR-GE 0122 BR NCD 15 April 14	250	100,000	242.37	—	—	
In Others						
1) Kotak Alternate Opportunities (India) Fund			403.71		236.93	
2) Kotak India Real Estate Fund - IV	7448500	1,000	74.49			
3) Kshitij Venture Capital Fund	27600	1,000	276.00	28200	282.00	
TOTAL			1,863.28		1,421.90	
Aggregate amount of quoted investments			1,108.63		902.50	
Aggregate market value of listed and quoted investments			1,113.60		937.32	
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments			754.66		519.40	

10 DEFERRED TAX ASSETS :			(₹ in Lakhs)	
Particulars		As at 31.03.2012	As at 31.03.2011	
Deferred Tax Liability related to Fixed Assets	—		(1.01)	
Deferred Tax Assets related to Fixed Assets	30.61		27.82	
Deferred Tax Assets related to Employee Benefit	55.07		96.71	
		85.68	123.52	
TOTAL		85.68	123.52	

11 LONG - TERM LOANS AND ADVANCES :		
a) Capital advances		
Unsecured, considered good	0.05	—
b) Security deposits		
Unsecured, considered good	31.90	41.55
c) Other loans and advances		
Unsecured, considered good	71.90	28.04
TOTAL	103.85	69.59

12 OTHER NON CURRENT ASSETS :		
a) Preliminary Expenses	4.10	5.07
Less: 10% Written Off	0.97	(0.97)
	3.13	4.10
b) Preoperative Expenses	1.28	13.18
Less: 10% Written Off	0.26	(11.90)
	1.02	1.28
TOTAL	4.15	5.38

13 CURRENT INVESTMENT :			(₹ in Lakhs)		
Particulars	No. of Shares	Face Value	As at 31.03.2012	No. of Shares	As at 31.03.2011
In Units of Mutual Fund - Quoted fully paid up					
Benchmark Mutual Fund Liquid Bees	0.0169	1,000	0.00	0.0169	0.00
In Debentures - Quoted, fully paid up					
	No. of Debentures			No. of Debentures	
1) Deutsche Investments India Pvt Ltd SR-GE 0146 BR NCD 12 Nov 12	150	100,000	150.00	—	—
2) Morgan Stanley India Capital Pvt Ltd Sr-4 BR NCD (*)	—	1,000,000	—	46	460.00
3) Morgan Stanley India Capital Pvt Ltd Sr-13 BR NCD (*)	—	1,000,000	—	5	50.50
In Units of Mutual Fund - Quoted					
	No. of Units			No. of Units	
1) Axis Fixed Term Plan Series 13 (370 Days) - Growth	—	10	—	1000000	100.00
2) Birla Sun Life Fixed Term Plan Series CT - Growth	—	10	—	2000000	200.00
3) Birla Sunlife Fixed Term Plan Series CU - Growth	—	10	—	1000000	100.00
4) Birla Sunlife Fixed Term Plan Series CX - Growth	2513848	10	251.38	—	—
5) BNP Paribas Fixed Term Fund Series 20A Growth	—	10	—	1500000	150.00
6) BNP Paribas Fixed Term Fund Series 19 D - Growth	—	10	—	500000	50.00

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(₹ in Lakhs)					
Particulars	No. of Shares	Face Value	As at 31.03.2012	No. of Shares	As at 31.03.2011
7) BNP Paribas Fixed Term Fund Series 17C Growth Old Name (Fortis Fixed Term Fund Series 17C Growth)	—	10	—	2000000	200.00
8) BNP Paribas Fixed Term Fund Series 21 C Dividend Payout	—	10	—	1000000	100.00
9) DSP Blackrock FMP 13 M Series 04 - Growth	500000	10	50.00	—	—
10) DSP Black Rock FMP - 3M Series 27 Dividend Payout	—	10	—	1000000	100.00
11) DSP Black Rock FMP 12 M Series 24 - Growth	1700000	10	170.00	—	—
12) DSP Black Rock FMP - 12M Series 25 - Growth	750000	10	75.00	—	—
13) DWS Fixed Term Fund - Series 85 - Growth	2500000	10	250.00	—	—
14) HSBC Fixed Term Series 83 - Growth - Tenure 370 Days	1500000	10	150.00	—	—
15) ICICI Prudential FMP Series 56- 1 Year Plan A Cumulative	—	10	—	2500000	250.00
16) ICICI Prudential Fixed Maturity Plan Series 56 1 Year Plan D	—	10	—	2500000	250.00
17) ICICI Prudential FMP Series 54 - 1 Year Plan A Cumulative	5000000	10	500.00	—	—
18) ICICI Prudential Fixed Maturity Plan - Series 55 1 Year Plan B - Growth	—	10	—	500000	50.00
19) ICICI Prudential Fixed Maturity Plan Series 56 - 1 Year Plan F Cumulative	1501674	10	150.17	—	—
20) ICICI Prudential FMP Series 57 - 1 Year Plan B Cumulative	500000	10	50.00	—	—
21) ICICI Prudential Fixed Maturity Plan - Series 63 - 1 Year Plan B - Growth	4500000	10	450.00	—	—
22) IDFC FMP Yearly Series 67 - Growth	3003810.607	10	300.38	—	—
23) Kotak FMP 13 Months Series 6 Growth	—	10	—	2000000	200.00
24) Kotak FMP Series 39 - Growth	—	10	—	500000	50.00
25) Principal PNB Fixed Maturity Plan (FMP-69) 91 Days - Series XXVIII - Regular Dividend Payout	—	10	—	500000	50.00
26) Sundaram Fixed Term Plan BC 366 Days Growth	2000000	10	200.00	—	—
27) TATA Fixed Maturity Plan Series 30 Scheme A - Growth	—	10	—	1000000	100.00
28) TATA Fixed Maturity Plan Series 34 Scheme C Growth	500199	10	50.02	—	—
In Units of Mutual Fund - quoted	No. of Units			No. of Units	
1) Birla Sun Life Frontline Equity Fund - Plan A - Dividend - Payout	—	10	—	216305	46.74
2) Birla Sunlife Dynamic Bond Fund Retail Growth	1116645.357	10	200.00	—	—
3) Edelweiss Absolute Return Equity Fund - Growth	—	10	—	852515	95.48
4) HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend - Reinvest	—	10	—	—	—
	9837014.166	10	986.80	—	—
5) HDFC Equity Fund - Growth	46777.323	10	122.40	11877	32.50
6) HDFC MF Monthly Income Plan - Long Term - Growth	—	10	—	1321600	290.00

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(₹ in Lakhs)					
Particulars	No. of Shares	Face Value	As at 31.03.2012	No. of Shares	As at 31.03.2011
7) HDFC Top 200 Fund - Dividend - Payout	38482.331	10	75.00	121106	56.44
8) ICICI Prudential Focused Bluechip Equity Retail Dividend	—	10	—	126373	20.41
9) ICICI Prudential Interval Fund IV Quarterly Interval Plan B Institutional Dividend	—	10	—	3000000	300.00
10) IDBI Ultra Short Term Fund Growth	46527.553	1000	525.91	—	—
11) Kotak Credit Opportunities Fund - Growth	—	10	—	1988213	200.00
12) Kotak Floater Long Term Fund Daily Dividend	1987519.775	10	200.34	—	—
13) Kotak Floater Long Term Fund Growth	2944586.743	10	500.17	—	—
14) Kotak Liquid (Institutional Premium) Daily Dividend	—	10	—	49167	6.01
15) Kotak Quarterly Interval Plan Series 10 - Dividend	—	10	—	5999730	600.00
16) Motilal Oswal Most 10 Year Gilt Fund - Growth	500000	10	50.00	—	—
17) Reliance Monthly Income Plan - Growth	—	10	—	764625	160.00
18) Templeton India Low Duration Fund - Growth	8052573.626	10	912.00	—	—
19) Templeton India Cash Management Account - Dividend Reinvestment	—	10	—	247481	24.75
20) Templeton India Cash Management Account - Growth Plan	761933.29	10	135.67	—	—
21) Templeton India Ultra Short Bond Fund - Super Institutional Plan Daily Dividend Reinvestment	—	10	—	13230586	1,324.59
22) Templeton India Ultra Short Bond Fund - Super Institutional Plan Growth	3557742.646	10	477.83	—	—
23) Templeton India Income Opportunities Fund - Growth	—	10	—	3000000	300.00
24) Templeton India Short Term Income - Growth	12110.561	1,000	255.19	—	—
25) Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment	31578.935	1,000	362.74	—	—
In Debentures - Unquoted, fully paid up					
1) Zero Coupon NCD of Mannapuram Finance Limited Note (*) : (NCD refers to Non Convertible Debentures.)	25	1,000,000	220.43	—	—
TOTAL			7,821.42		5,917.43
Aggregate amount of quoted investments			7,601.00		5,917.43
Aggregate market value of listed and quoted investments			7,815.50		6,109.19
Aggregate value of listed but not quoted investments			—		—
Aggregate amount of unquoted investments			220.43		—

14 INVENTORIES :		(₹ in Lakhs)	
Particulars	As at 31.03.2012	As at 31.03.2011	
As taken, valued & certified by the Management			
i) Raw Materials	6,353.87	6,099.73	
ii) Work in Process	283.64	305.83	
iii) Finished Goods	3,082.82	3,283.25	
iv) Stock of consumable Stores & Spare parts	22.33	34.33	
	<u>9,742.66</u>	<u>9,723.14</u>	
TOTAL	<u>9,742.66</u>	<u>9,723.14</u>	
14.1 Inventories except Consumables Stores and Spares are valued at cost or net realisable value whichever is less.			
14.2 Consumables Stores and Spares are valued at cost.			
15 TRADE RECEIVABLES :			
(Unsecured)			
a) Over six months from the date they were due for payment			
– considered good	135.30	783.83	
– considered doubtful	—	—	
b) Other Debts-considered good	10,294.84	9,250.94	
– considered doubtful	—	—	
	<u>10,430.14</u>	<u>10,034.77</u>	
TOTAL	<u>10,430.14</u>	<u>10,034.77</u>	
16 CASH & BANK BALANCE :			
a) Cash On Hand	41.84	33.60	
b) Balance with Bank			
i) Current Account	922.71	308.33	
ii) EEFC Account	1,431.73	221.35	
iii) Fixed Deposit with Banks	87.47	72.85	
	<u>2,483.75</u>	<u>636.14</u>	
TOTAL	<u>2,483.75</u>	<u>636.14</u>	
17 SHORT TERM LOANS & ADVANCES :			
(Advances recoverable in cash or in kind or for value to be received)			
a) Prepaid Expenses	60.61	24.38	
b) Loan to Employees			
Unsecured	0.03	—	
c) Balances with government authorities			
i) Vat Credit Receivable	157.82	267.28	
ii) Inter Corporate Deposits	255.00	155.00	
d) Others			
Unsecured, considered good	448.48	393.50	
e) Advance Tax (Net off Provision)	15.48	69.19	
	<u>937.42</u>	<u>909.35</u>	
TOTAL	<u>937.42</u>	<u>909.35</u>	

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18 REVENUE FROM OPERATIONS :		(₹ in Lakhs)
Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
a) Sales of Manufactured Goods	22,751.00	22,924.78
b) Sales of Trading Goods	1,716.97	983.77
c) Sale of Services	59.44	—
TOTAL	24,527.41	23,908.54
18.01 Sale of products comprises :		
a) Manufactured goods :		
i) Sales of gold Jewellery	22,582.05	22,441.90
ii) Sales of Silver Jewellery	161.83	—
iii) Sales of Silver Masters	—	64.03
iv) Local - Sales Inter Unit Sales	6.09	418.85
v) Bad Debts Recovered	1.02	—
	22,751.00	22,924.78
b) Traded goods :		
i) Sales of Cut & Polished Diamond	1,713.88	940.95
ii) Sales of Colour stones	0.40	—
iii) Sales of Alloy	2.07	—
iv) Sales of findings	0.62	—
v) Sales of Silver Jewellery	—	42.82
	1,716.97	983.77
c) Sales of Services :		
Job work Income	59.44	—
	59.44	—
19 OTHER INCOME :		
a) Dividend income from investments	156.91	172.23
b) Dividend on Shares	0.03	—
c) Net gain on sale of investments	354.77	66.62
d) Interest received on Bond (TDS ₹ 0.11 Lakhs (Previous Year ₹ Nil)	2.10	—
e) Interest Received on Loan (TDS ₹ 0.11 Lakhs (Previous Year ₹ 0.01 Lakhs)	135.35	182.43
f) Net gain on foreign currency transactions and translation	103.72	—
g) Discount Received	—	0.21
h) Misc. Income	1.41	1.23
i) Rent Income	37.28	89.46
j) Commission received	3.81	—
k) Credit Balance written back	2.12	1.16
TOTAL	797.49	513.35
20 RAW MATERIALS CONSUMED :		
Opening Stock :	6099.73	6,717.08
Add: Purchases :	18293.09	17,870.71
	24392.82	24,587.79
Less : Closing Stock	6353.87	6,099.73
TOTAL	18038.95	18,488.06

21 CHANGES IN INVESTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE :

(₹ in Lakhs)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
I) Inventories at the end of the year :		
a) Stock in Process	283.64	305.83
b) Finished Goods	3,082.82	3,283.25
	<u>3,366.46</u>	<u>3,589.09</u>
II) Inventories at the beginning of the year :		
a) Stock in Process	305.83	—
b) Finished Goods	3,283.25	1,869.47
	<u>3,589.09</u>	<u>1,869.47</u>
	<u>222.62</u>	<u>(1,719.61)</u>
TOTAL	<u><u>222.62</u></u>	<u><u>(1,719.61)</u></u>

22 EMPLOYEE BENEFITS EXPENSES :

WAGES, SALARIES AND OTHER BENEFITS :

a) Salaries, Wages, Bonus & Ex-gratia	487.37	426.88
b) Contribution to E.S.I.C.	3.10	3.96
c) Contribution to Provident Fund	6.22	7.27
d) Contribution to LIC Group Gratuity Scheme	3.98	2.91
e) Workmen & Staff Welfare Expenses	19.96	35.97
TOTAL	<u><u>520.63</u></u>	<u><u>476.99</u></u>

GRATUITY :

The Company makes annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days service for each completed year of service or part thereof depending on the date of joining. The benefit vests after five years of continuous service.

(₹ in Lakhs)

Assumptions	Gratuity Funded 31 st March, 2012	Gratuity Funded 31 st March 2011	Leave Encashment Non Funded 31 st March, 2012
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:			
Present Value of obligation as at beginning of year	6.20	7.65	4.81
Current service cost	2.38	4.62	1.16
Interest cost	0.50	0.61	0.27
Actuarial (gain)/loss	0.89	(2.34)	1.11
Benefits paid	(0.36)	(2.78)	(3.98)
Present Value of obligation as at end of the year	<u><u>9.63</u></u>	<u><u>7.76</u></u>	<u><u>3.36</u></u>
Change in Plan assets			
Plan assets at period beginning, at fair value	7.27	7.54	—
Expected return on plan assets	0.58	0.60	—
Actuarial (gain)/loss	0.17	—	—
Contribution	2.32	1.91	—
Benefits paid	(0.36)	(2.78)	—
Plan assets at period end 2011, at fair value	<u><u>9.99</u></u>	<u><u>7.27</u></u>	<u><u>—</u></u>

(₹ in Lakhs)			
Assumptions	Gratuity Funded 31 st March, 2012	Gratuity Funded 31 st March 2011	Leave Encashment Non Funded 31 st March, 2012
Reconciliation of present value of the obligation and the fair value of plan assets			
Fair value of plan assets at the end of the period	8.60	7.27	4.01
Present value of the defined benefit obligation at the end of the period	1.01	7.76	—
Assets/(Liability) recognised in the Balance Sheet	(2.41)	(1.24)	—
Net asset/(liability) recognized in Balance Sheet	—	—	—
Expenses for the year			
Current service cost	2.38	4.62	1.16
Interest cost on benefit obligation	0.50	0.61	(0.10)
Expected return on plan assets	(0.58)	0.01	—
Net actuarial (gain)/loss recognised in the year	1.68	(2.34)	2.04
Total expenses recognised in the Profit and Loss Account	3.98	2.91	3.10
Assumptions	31 st March 2012 Gratuity	31 st March 2011 Gratuity	31 st March, 2012 Leave Encashment
Discount Rate	8%	8%	8.57%
Employee Turnover	6%	5%	2%
Salary Escalation	6%	5%	—
Mortality		1994-96 LIC Mortality Table (Std)	
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.			
Amounts recognised as an expense:			
(i) Defined Benefit Plan :			
Gratuity includes gratuity cost of ₹ 3.14 Lakhs (Previous year ₹ 1.91 Lakhs).			
Leave Encashment ₹ 3.98 Lakhs (Previous year ₹ 4.83 Lakhs).			
(ii) Defined Contribution Plan :			
Contribution to Provident Fund is ₹ 6.22 Lakhs (Previous year ₹ 7.27 Lakhs), ESIC and Labour Welfare Fund includes ₹ 3.10 Lakhs (Previous year ₹ 3.96 Lakhs).			
Temple Designs LLP, a Joint venture of Diagold Designs Limited, has not provided gratuity on actuarial valuation being the second year of incorporation. The effect of the same is not significant.			
With respect to foreign subsidiaries and Joint Ventures the same has been accounted as per the respective laws in the country of their incorporation.			
23 FINANCE EXPENSES :			
(₹ in Lakhs)			
Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011	
a) Interest on loan	318.88	251.99	
b) Stamp Duty	14.77	13.53	
TOTAL	333.65	265.52	
23.1 Interest on loan includes ₹ 78.25 Lakhs (Previous year ₹ 63.31 Lakhs) paid to Director Rashesh M. Bhansali			

24 OTHER EXPENSES :		(₹ in Lakhs)
Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Stores & Spares	93.53	59.93
Power & Water	103.61	106.78
Repairs & Maintenance	36.98	26.83
Machinery & Electrical Repairs	5.74	4.39
Grooving charges	18.16	78.14
Insurance	10.21	7.20
Other Manufacturing Expenses	272.99	278.65
Net Loss on Foreign Currency Transaction and Translation	—	9.16
Rent Rates & Taxes	82.54	98.09
Donations	5.44	0.79
Bank Charges	85.68	107.50
Commission on sales	277.24	134.06
Travelling and conveyance	113.02	77.06
Telephone charges	18.45	16.09
Printing & Stationery	13.12	12.15
Portfolio Management fees	7.14	8.85
Security Transaction Tax	0.59	3.52
Exhibition expenses	21.03	24.61
Discount to Customers	63.13	63.00
Advertisement	28.92	8.52
Bad Debts	0.41	28.39
Vehicle Expenses	30.90	13.00
Auditors' Remuneration	5.18	7.18
Preliminary Expenses Written off	1.23	12.87
General Expenses	712.18	667.73
TOTAL	2007.43	1,854.48
25 EXCEPTIONAL ITEMS:		
a) Impairment of Investment of Subsidiary	—	12.43
b) Loss on Sale of Fixed Assets	72.96	—
TOTAL	72.96	12.43
26	The consolidated accounts for the year ended 31 st March, 2012 were consolidated on the basis of the audited accounts presented by the subsidiaries, Diagold Designs Limited, Goldiam Jewels Limited, Goldiam Jewellery Limited and Limited Review Report presented by subsidiary, M/s. Goldiam USA, Inc.	
27	The consolidated accounts for the year ended 31 st March, 2012 were consolidated on the basis of the audited accounts presented by the Joint Venture, M/s. Goldiam HK Limited.	
28	a) During the current year under review, the Company has acquired additional 1468500 shares of Goldiam Jewels Limited one of the subsidiary. The total holding of the said subsidiary has increased from 50.55% to 99.50%. b) One of the subsidiaries, M/s. Diagold Designs Limited, has disinvested in the previous year its entire stake, being 51% of the paid up capital, in its subsidiary "OOO Tiarra Jewels" w.e.f. 1st July, 2010. c) M/s. Goldiam Jewels SDN BHD, a company incorporated in Malaysia by M/s. Diagold Designs Limited as Joint Venture with 30% stake, has closed its business and its name has been struck off as per the provisions of the country of incorporation in the previous financial year 2011. The entire investment made has been written off and debited to Consolidated Profit and Loss Account of 31st March, 2011. d) During the previous year subsidiary, M/s. Diagold Designs Limited, being a designated partner has reduced its share of profit from Limited Liability Partnership Firm namely Temple Designs LLP from 95% to 51% with effect from 4th May, 2010. The accounts of the said LLP have been consolidated as per the audited accounts presented and as per the Financial Reporting of Interests in Joint Ventures (AS-27) issued by the Institute of Chartered Accountants of India.	

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- 29 The accounts of Joint Venture, Goldiam HK Limited, have been consolidated on the basis of total holding of 49.9638% of which Goldiam International Limited's stake is 49.93% and Diagold Designs Limited's stake is 0.0325% in the paid up equity capital of the Joint Venture. The accounts have been consolidated as per the total holding by the Group as per Financial Reporting of Interests in Joint Ventures (AS-27) issued by the Institute of Chartered Accountants of India.

30 Subsidiaries :

The subsidiary companies considered in the financial statements are :

Name of the Subsidiary	Country of incorporation	Proportion of ownership interest	
		2011-12	2010-11
Diagold Designs Limited	India	50.99%	50.99%
Goldiam Jewels Limited	India	99.50%	50.55%
Goldiam Jewellery Limited	India	100.00%	100.00%
Goldiam USA, Inc.	USA	100.00%	100.00%

Note : 1) "OOO Tierra Jewels" was step down subsidiary of the Company upto 30th June, 2010.

31 Joint Ventures :

- a) The financial statements of the following companies which are in the nature of jointly controlled entities have been consolidated as per AS-27 issued by The Institute of Chartered Accountants of India.

Name of the Company	Incorporated in	Percentage Holding (%)	
		For the Year ended 31.03.2012	For the period ended 31.03.2011
Goldiam HK Limited (Joint venture of Holding Company)	Hongkong	49.96%	49.96%

The movement in the Group's share of the aggregate post acquisition reserves of Joint Ventures are as follows :
(₹ in Lakhs)

Goldiam HK Limited	For the year ended 31.03.2012	For the year ended 31.03.2011
Proportionate Reserves and Surplus as at the beginning of the year	(71.68)	(89.09)
Proportionate Transfer to Reserves	—	—
Proportionate surplus/(deficit) in Profit and Loss Account (net of transfer to reserves, dividend etc.)	35.15	17.42
Proportionate Reserves and Surplus as at the end of the year	(36.53)	(71.68)

The following are the Group's shares in the contingent liabilities and commitments of ventures in relation to its Joint Venture.

Name of the Joint Venture Company	% of Holding	Capital Commitment	Contingent Commitment
Goldiam HK Limited	49.96%	—	—

In compliance with the Accounting Standard relating to "Financial Reporting of Interests in Joint Ventures" (AS-27) issued by the Institute of Chartered Accountants of India, the Company has interests in the following jointly controlled entity, which is incorporated out of India.

(₹ in Lakhs)					
Name of the Company & Country of Incorporation	Percentage of Shareholding %	As at year ended 31 st March, 2012		For the year ended 31 st March, 2012	
		Assets	Liabilities	Income	Expenditure
Goldiam HK Limited, Hong Kong	49.96%	738.32	364.67	796.50	761.35
(Year ended 31 st March, 2011)	49.96%	(593.39)	(335.84)	(807.34)	(789.72)

b) The share of interest in Joint Venture is as given below :

Consolidated Proportionate share of Joint Venture :

Share of interest in Joint Ventures Goldiam HK Limited and Temple Designs LLP is as given below:

(₹ in Lakhs)

	As at 3 ^{1st} March, 2012			As at 3 ^{1st} March, 2011		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
I) EQUITY & LIABILITIES :						
1) SHAREHOLDERS' FUNDS :						
a) SHARE CAPITAL	2,494.60	—	2,494.60	2,494.60	—	2,494.60
b) RESERVES AND SURPLUS	18,421.87	—	18,421.87	17,216.33	—	17,216.33
2) MINORITY INTEREST	1,375.73	—	1,375.73	1,500.94	—	1,500.94
3) NON-CURRENT LIABILITIES						
LONG - TERM BORROWINGS	—	—	—	600.00	—	600.00
4) CURRENT LIABILITIES						
a) SHORT TERM BORROWINGS	6,614.92	328.79	6,943.71	4,197.76	169.11	4,366.87
b) TRADE PAYABLES	5,348.88	150.91	5,499.79	3,905.32	330.20	4,235.52
c) OTHER CURRENT LIABILITIES	214.83	11.85	226.68	211.13	47.42	258.55
d) SHORT - TERM PROVISIONS	187.09	2.12	189.21	30.34	3.32	33.66
TOTAL	34,657.93	493.67	35,151.60	30,156.42	550.05	30,706.47
II) ASSETS :						
1) NON - CURRENT ASSETS						
a) FIXED ASSETS						
i) TANGIBLE ASSETS	1,647.86	29.57	1,677.43	1,830.89	32.11	1,863.00
ii) INTANGIBLE ASSETS	1.16	0.66	1.82	0.47	1.78	2.25
b) NON - CURRENT INVESTMENT	1,863.28	—	1,863.28	1,421.90	—	1,421.90
c) DEFERRED TAX ASSETS (NET)	85.68	—	85.68	123.52	—	123.52
d) LONG - TERM LOANS & ADVANCES	102.59	1.26	103.85	68.33	1.26	69.59
e) OTHER NON - CURRENT ASSETS	1.86	2.29	4.15	2.32	3.06	5.38
2) CURRENT ASSETS						
a) CURRENT INVESTMENT	7,821.42	—	7,821.42	5,917.43	—	5,917.43
b) INVENTORIES	9,298.48	444.18	9,742.66	8,999.55	723.60	9,723.14
c) TRADE RECEIVABLES	9,690.53	739.60	10,430.14	9,457.06	577.71	10,034.77
d) CASH & BANK BALANCE	2,371.82	111.93	2,483.75	606.19	29.95	636.14
e) SHORT - TERM LOANS & ADVANCES	926.62	10.80	937.42	900.67	8.68	909.35
TOTAL	33,811.32	1,340.28	35,151.60	29,328.32	1,378.15	30,706.47

32 CONTINGENT LIABILITIES NOT PROVIDED FOR :

- The Group has outstanding performance guarantee of ₹ 533.58 Lakhs as on the Balance Sheet date, executed in favour of Deputy Commissioner of Customs. (Previous year ₹ 653.78 Lakhs)
- The Municipal Corporation of Greater Mumbai has preferred an appeal in the High Court of Judicature at Bombay against the order of Small Causes Court rejecting the claim of Municipal Corporation of Greater Mumbai for an amount of ₹ 136.97 Lakhs (Previous year ₹ 136.97 Lakhs) on account of property tax.

- c) The Group has outstanding demand of Income tax of ₹ 5.27 Lakhs (Previous Year ₹ 5.27 Lakhs) for Assessment Year 2004-05 and of ₹ 4.66 Lakhs (Previous year ₹ 4.66 Lakhs) for the Assessment year 2006-2007 as on the Balance Sheet date. The said demand is outstanding and not provided for as it is disputed in appeal.
- d) The Company has executed Bank Guarantee of ₹ 2,500 Lakhs (Previous year ₹ 2,000 Lakhs) favouring The Hongkong and Shanghai Banking Corporation Limited and of ₹ Nil (Previous year ₹ 1,000 Lakhs) favouring YES Bank Limited, Mumbai for its wholly owned subsidiary, Goldiam Jewellery Limited, Mumbai.

33 FINANCIAL INSTRUMENTS/FORWARD CONTRACTS :

The Company has entered into following forward/derivative instruments :

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward contracts and option contracts, where the counterparty is bank. The forward contract or options are not used for trading or speculation purpose.

Unhedged foreign currency exposure :

PARTICULARS	31.03.2012		31.03.2011	
	in Lakhs	₹ in Lakhs	in Lakhs	₹ in Lakhs
Outstanding Receivables	\$ 61.577	3,150.07	\$ 139.24	6,217.07
Outstanding creditors for goods and spares	\$ 86.822	4,444.63	\$ 77.56	3,463.45
Exchange Earner's Foreign Currency account with Banks	\$ 27.933	1,431.73	\$ 4.94	221.20
Exchange Earner's Foreign Currency account with Banks (EURO)	—	—	0.002	0.15
Outstanding creditors for spares (EURO)	0.153	10.48	—	—
Outstanding Payable for Packing Credit Loan in Foreign Currency	\$ 47.081	2,408.52	\$ 39.51	1,764.22
Post shipment credit in foreign currency with Bank	\$ 51.393	2,629.11	\$ 19.29	861.29

34 DIFFERENCE IN ACCOUNTING POLICY FOR DEPRECIATION :

Depreciation on fixed assets relating to subsidiary company, Goldiam USA Inc., and Joint Venture, Goldiam HK Limited, is provided at the rates based on the estimated useful life of the respective assets as determined by the management or on the minimum depreciation rates as prescribed under the domestic law of the Subsidiary and Joint Venture whichever is higher and in respect of subsidiary, Goldiam Jewels Limited, the same has been provided as per Straight Line Method as against Written Down Value method followed by the Company. Depreciation for the year includes ₹ 12.11 Lakhs (Previous year ₹ 21.67 Lakhs) calculated on such basis. The impact of the difference in the accounting policy has not been calculated as the depreciation amount itself is not significant. The net block included in the consolidated financial statements in this respect as at 31st March, 2012 is ₹ 20.18 Lakhs (As at 31st March, 2011 ₹ 281.37 Lakhs).

Depreciation on fixed assets relating to Limited Liability Partnership firm, Temple Designs LLP, has been provided as per the Income Tax law. Depreciation for the year includes ₹ 5.82 Lakhs (Previous year ₹ 7.46 Lakhs) calculated on such basis. The impact of the difference in the accounting policy has not been calculated as the depreciation amount itself is not significant. The net block included in the consolidated financial statements in this respect as at 31st March, 2012 is ₹ 59.28 Lakhs (As at 31st March, 2011 ₹ 33.89 Lakhs).

35 MANAGERIAL REMUNERATION :

	(₹ in Lakhs)	
	2011-12	2010-11
a) Salaries	83.50	82.88
b) Perquisites	11.99	4.95
c) Sitting Fees	2.40	3.25
d) Commission	7.59	34.57
	<u>105.48</u>	<u>125.65</u>

36 EARNING PER SHARE :	2011-12	2010-11
Profit after Tax	1,522.98	1,866.70
Number of shares outstanding	24945996	24945996
Weighted Average number of shares + potential shares outstanding	24945996	24945996
Earning per share (Basic) (₹)	6.11	7.48
Earning per share (Diluted)(₹)	6.11	7.48

37 RELATED PARTY TRANSACTIONS :

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with related parties as defined in the Accounting Standard are given below:

a) Related parties and relationship where control exists or with whom transactions were entered into :

1) HOLDING COMPANY :

Goldiam International Limited

2) JOINT VENTURE :

Goldiam HK Limited

3) KEY MANAGERIAL PERSONNEL OF HOLDING COMPANY :

Mr. Manhar R. Bhansali

Mr. Rashesh M. Bhansali

4) KEY MANAGERIAL PERSONNEL OF SUBSIDIARIES :

Mrs. Ami R. Bhansali

Mr. Milan Mehta

Mr. Nirav Mehta

Mr. Nehal Mehta

Mr. Ashish Karnavat

5) KEY MANAGERIAL PERSONNEL OF JOINT VENTURE :

Mr. Nehal Mehta

6) RELATIVE OF KEY MANAGEMENT PERSONNEL :

Mrs. Trupti Mehta

Mrs. Sweta Mehta

7) SIGNIFICANT CONTROL OF KEY MANAGERIAL PERSONNEL :

Sunshine Corporation Diastud USA, Inc.

(b) Transactions during the year with related parties: (₹ in Lakhs)

Sr. No.	Nature of Transaction	Key Management Personnel		Relative of Key Management Personnel		Enterprises over which Key Management personnel having direct influence	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
i)	Payments to & provisions for Directors' remuneration	103.08	122.40	—	—	—	—
ii)	Interest paid	64.47	56.98	—	—	—	—
iii)	Commission paid	—	—	—	6.45	—	—
iv)	Loans received	25.00	100.00	—	—	—	—
v)	Loans refunded	10.30	—	—	—	31.26	—
a)	Outstanding Loan received as on 31 st March	630.96	610.30	—	—	—	31.26
b)	Outstanding Payables as on 31 st March	4.96	29.74	—	—	—	5.24

c) Disclosure in respect of Transactions with related parties during the year

Sr. No.	Nature of Transaction	Current Year	Previous Year
i)	Payments to & provisions for		
	Directors' remuneration :		
	Rashesh M. Bhansali	39.71	39.07
	Ami R. Bhansali	49.78	67.62
	Milan Mehta	3.54	2.28
	Nirav Mehta	7.09	4.55
	Ashish Karnavat	2.96	8.88
iii)	Interest paid :		
	Rashesh M. Bhansali	64.47	56.98
iii)	Commission paid :		
	Ashok R. Mehta HUF	—	1.50
	Shaila Ashok Mehta	—	4.95
iv)	Loans received		
	Rashesh M. Bhansali	25.00	100.00
v)	Loans refunded		
	Sunshine Corporation	31.26	—
	Nehal Mehta	10.30	—
a)	Outstanding Loan received as on 31st March		
	Rashesh M. Bhansali	630.96	600.00
	Sunshine Corporation	—	31.26
	Nehal Mehta	—	10.30
b)	Outstanding Payables as on 31st March		
	Rashesh M. Bhansali	3.33	3.07
	Ami R. Bhansali	0.00	26.67
	Milan Mehta	(0.46)	—
	Nirav Mehta	2.09	—
	Diastud USA, Inc.	—	5.24

38 INFORMATION GIVEN IN ACCORDANCE WITH THE REQUIREMENTS OF (AS 17) ON "SEGMENT REPORTING" :

The Company has identified two reportable segments viz. Jewellery Manufacturing and Investment Activity. Segments have been identified and reported taking into account nature of products and services, the different risks and returns and the internal business reporting systems.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represents assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(i) Primary Segment Information : (₹ in Lakhs)

	Year to 31.03.2012			
	JEWELLERY	INVESTMENT ACTIVITY	OTHERS (Unallocated)	TOTAL
Segment Revenue	24,675.75	649.17	—	25,324.91
Segment Results	1,843.69	641.43	—	2,485.12
Less: unallocated expenses net of unallocated (income)	—	—	(30.15)	(30.15)
Interest expenses (Net)	—	—	—	333.65
Profit before tax	—	—	—	2,121.33
Depreciation and Amortisation	—	—	—	209.52
Non cash expenses other than Depreciation and Amortisation	—	—	—	—
Segment Assets	23,003.48	9,684.71	2,463.41	35,151.60
Segment Liabilities (excluding Shareholders' Funds)	14,052.27	—	182.86	14,235.13

(₹ in Lakhs)

	Year to 31.03.2011			
	JEWELLERY	INVESTMENT ACTIVITY	OTHERS (Unallocated)	TOTAL
Segment Revenue	24,000.60	408.85	—	24,409.45
Segment Results	1994.63	395.48	—	2,390.11
Less: unallocated expenses net of unallocated (income)	—	—	(90.31)	(90.31)
Interest expenses (Net)	—	—	—	265.52
Profit before tax	—	—	—	2,034.29
Depreciation and Amortisation	—	—	—	230.31
Non cash expenses other than Depreciation and Amortisation	—	—	—	—
Segment Assets	22,602.11	7,339.33	765.03	30,706.46
Segment Liabilities (excluding Shareholders' Funds)	10,961.89	—	33.66	10,995.54

As per Accounting Standard (AS-17) "Segment Reporting", the Company has reported segment information on consolidated basis including business conducted through subsidiaries and associates.

The Company has identified Geographic segments as its Secondary Segments.

Secondary segmental reporting is based on the geographical location of the customers. The geographical segments have been disclosed on revenues within India (Sales to customers in India) and revenues outside India (Sales to customers outside India).

(ii) Secondary Segment Information :

1. Segment Results :		(₹ in Lakhs)
PARTICULARS	2011-12	2010-11
Within India	79.20	(9.49)
Exports outside India	1,764.49	2,004.12
Total Revenue	1,843.69	1,994.63
2. Segment Assets :		
Within India	1,298.19	798.57
Exports outside India	21,705.29	21,803.54
Total Assets	23,003.48	22,602.11

Goldiam International Limited

	As at 31.03.2012	As at 31.03.2011
3. Segment Liabilities :		
Within India	729.15	514.43
Exports outside India	13,323.12	10,447.46
Total Liabilities	14,052.27	10,961.89

39 Capital Reserve on Consolidation :

The excess book value of assets over cost of acquisition of additional investment on the date of acquisition of shares of M/s. Goldiam Jewels Limited is treated as Capital Reserve. A sum of ₹ 0.83 Lakhs standing as Goodwill on consolidation has been netted off against ₹ 69.04 Lakhs Capital Reserve.

40 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956 notified by MCA vide its notification no. 447(E) dated February 28, 2011. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

41 The financial statements for the year 31st March, 2012 has been prepared as per the Revised Schedule VI to the Companies Act, 1956. Accordingly, the previous year's figures have been regrouped and rearranged wherever necessary to make in compliance with the current financial year.

As per our report of even date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 26th May, 2012

Place : Mumbai
Date : 26th May, 2012

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Particulars	Goldiam Jewellery Limited	Goldiam Jewels Limited	Diagold Designs Limited	Goldiam USA, Inc.	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	US\$ in Lakhs
Reporting Currency	INR	INR	INR	INR	US\$
Capital	100.00	300.00	399.99	0.00	0.000
Reserves	4,437.50	(121.39)	2,247.51	93.90	1.836
Total Assets	8,843.27	192.40	5,726.97	2,318.35	45.319
Total Liabilities	4,305.78	13.80	3,079.47	2,224.45	43.483
Investments	75.23	—	340.24	—	0.000
Turnover/Total Income	9,144.73	545.92	4,925.52	3,050.86	59.638
Profit Before Taxation	973.32	(61.36)	131.13	42.55	0.832
Provision for Taxation	(194.64)	1.14	(20.20)	2.14	0.042
Exceptional Items	—	(176.17)	—	—	—
Profit After Taxation	778.67	(236.39)	110.93	40.41	0.790
Proposed Dividend	—	—	20.00	—	—
Country	India	India	India	USA	USA

As on 31st March, 2012 US\$ 1= ₹ 51.1565

GOLDIAM INTERNATIONAL LIMITED

Regd. Office: Gems & Jewellery Complex, SEEPZ (SEZ), Andheri (E), Mumbai - 400 096.

ATTENDANCE SLIP

To be handed over at the entrance to the Meeting Hall

Full Name of the Member attending _____

Full Name of the First Joint-holder _____

(To be filled in if the first named Joint-holder does not attend the Meeting)

Name of the Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company at 'TRIBUNE 1' Banquet Hall, 6th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai 400 093 on 14th August, 2012 at 2.30 p.m.

Regd. Folio No./Benpos No. _____

No. of Shares held _____

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

----- (Please cut here) -----

GOLDIAM INTERNATIONAL LIMITED

Regd. Office: Gems & Jewellery Complex, SEEPZ (SEZ), Andheri (E), Mumbai - 400 096.

Proxy Form

I/We _____

of _____ in the District _____ being

Member(s) of the above named Company, hereby appoint _____

of _____ in the District of _____

or failing him, _____

of _____ in the District of _____

as my/our proxy to vote for me/us on my/our behalf at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company to be held on 14th August, 2012 at 2.30 p.m. at 'TRIBUNE 1' Banquet Hall, 6th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai 400 093 or any adjournment thereof.

Signed this _____ day of _____ 2012

No. of Shares _____

Regd. Folio No. _____

DP ID NO. _____

Client ID No. _____

**Affix ₹1
Revenue
Stamp**

Book-Post

If undelivered, please return to:

GOLDIAM INTERNATIONAL LIMITED

Gems & Jewellery Complex,

SEEPZ, Andheri (East),

Mumbai - 400 096.