

# FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Goldiam International Limited (Scrip Code: 526729)
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	For Pulindra Patel & Co. Chartered Accountants FRN NO. 115187W  Pulindra M. Patel Proprietor Membership No. 048991 	For and on behalf of the Board of Directors   Rashesh M. Bhansali Vice Chairman & Managing Director   Darshana J. Patel Chief Financial Officer    Rajesh G. Kapadia Audit Committee Chairman

# *Annual Report*

**2013-2014**



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

## COMPANY SECRETARY & COMPLIANCE OFFICER

ANITA KATE  
e-mail: [investorrelations@goldiam.com](mailto:investorrelations@goldiam.com)

## AUDITORS

PULINDRA PATEL & CO.,  
Chartered Accountants

## BANKERS

The Hongkong & Shanghai Banking Corporation Ltd.  
YES Bank Limited  
Standard Chartered Bank  
Punjab National Bank  
Citibank N.A.

## REGISTERED OFFICE

Gems & Jewellery Complex,  
M.I.D.C, SEEPZ, Andheri (East),  
Mumbai - 400 096  
E-mail: [goldiam@vsnl.com](mailto:goldiam@vsnl.com) Website: [www.goldiam.com](http://www.goldiam.com)

## DIAMOND PROCUREMENT OFFICE

The Capital, Office No.1107, A Wing,  
11th Floor, Plot No.C-70, G-Block,  
Bandra (East), Mumbai - 400 051.

## 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.: 25946970-78 Fax: 25946969  
e-mail: [rnt.helpdesk@linkintime.co.in](mailto: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 SEVENTH ANNUAL GENERAL MEETING

will be held on Tuesday, 30th September, 2014  
at 10.30 a.m. at 'TRIBUNE 1' Banquet hall, 6th Floor,  
Hotel Tunga International, M.I.D.C Central Road,  
Andheri (East), Mumbai - 400 093.

### Contents:

Notice .....	2
Directors' Report .....	12
Management Discussion and Analysis .....	16
Report on Corporate Governance .....	18
Auditors' Report .....	24
Balance Sheet .....	26
Profit and Loss Account .....	27
Cash Flow statement .....	28
Significant Accounting Policies .....	29
Notes on Financial Statements .....	32
Auditors' Report on Consolidated Accounts .....	52
Consolidated Balance Sheet .....	53
Consolidated Statement of Profit / Loss Account .....	54
Consolidated Cash Flow Statement .....	55
Significant Accounting Policies on Consolidated Accounts .....	56
Notes on Consolidated Financial Statements .....	60
Summary of financial information of Subsidiary companies .....	79
Attendance Slip .....	81
Proxy Form .....	83

### **IMPORTANT COMMUNICATIONS TO MEMBERS**

- A) As per the Securities and Exchange Board of India (SEBI) circular no.CIR/MRD/DP/10/2013 dated March 21, 2013, for distribution of dividend or other cash benefits in electronic mode of payments like National Electronic Clearing Service (NECS), Electronic Clearing Services (ECS), RTGS and NEFT shall be used, for which registrar and transfer agent of the Company shall be required to maintain the bank account details of the investors.

Also as per the SEBI Circular, in case the details like MICR no., IFSC no. etc. required for effecting electronic mode of payments are not available, physical payment instrument i.e. dividend warrants etc., will be used and on such physical payment instrument the bank account details of the investor shall mandatorily be printed.

Therefore, 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.
- B) 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 April 21, 2011 and Circular No.18/2011 dated April 29, 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.

**GOLDIAM INTERNATIONAL LIMITED**

**CIN: L36912MH1986PLC041203**

**Registered Address:** Gems & Jewellery Complex, M.I.D.C., Seepz, Andheri (East), Mumbai – 400 096.

Tel: (022) 2829 1893, 2829 0396, 2829 2397 • Fax: (022) 2829 2885, 2829 0418

Email: goldiam@vsnl.com • Website: www.goldiam.com

**NOTICE**

**NOTICE** is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Members of GOLDIAM INTERNATIONAL LIMITED will be held on Tuesday, 30th September, 2014 at 10.30 a.m. at TRIBUNE 1' Banquet hall, 6th Floor, Hotel Tunga International, M.I.D.C Central Road, Andheri (East), Mumbai - 400 093 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend on equity shares for the year ended on 31<sup>st</sup> March, 2014.
3. To appoint a Director in place of Mr. Manhar R. Bhansali, (Holding DIN 00058699) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint the Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, M/s. Pulindra Patel & Co., Chartered Accountants, (Firm Registration No 115187W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, and to fix their remuneration.

**SPECIAL BUSINESS:**

To pass with or without modification(s) the following resolutions as an **Ordinary Resolution**:

5. "RESOLVED THAT, Pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder and the Articles of Associations of the Company, Mrs. Ami R. Bhansali (DIN 00057937), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13<sup>th</sup> August, 2014 and who holds office until the date of the Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retire by rotation".
6. "RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajesh G. Kapadia (DIN: 00003272), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of 32nd Annual General Meeting of the Company.
7. "RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ajay M. Khatlawala (DIN 00124042), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 4 (four) consecutive years for a term up to the conclusion of 31<sup>st</sup> Annual General Meeting of the Company.
8. "RESOLVED that pursuant to the provisions of Sections 149, 150 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Srinivasan (DIN 00003968), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term up to the conclusion of 30<sup>th</sup> Annual General Meeting of the Company."
9. "RESOLVED that pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, including any modification(s) or re-enactment thereof, if any of the Companies Act, 2013 (the Act) consent of the Company be and is hereby



accorded to increase the remuneration of Mr. Rashes M. Bhansali (DIN-00057931), Vice Chairman & Managing Director of the Company with the effect from 1st April, 2014 till the remaining term of his appointment on the terms and conditions as detailed herein below:

**Part A:**

1. Basic Salary: ₹ 5,00,000/- per month

**Part B:**

1. Medical Reimbursement:

Reimbursement of medical expenses incurred for self and family members subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

2. Leave Travel Concession:

Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company for the time being in force.

3. Club Fees:

Membership fees of two clubs.

4. Gratuity:

Gratuity shall be payable as per the provisions of the payment of Gratuity Act, 1972 as amended from time to time.

5. Car for Office Use.

6. Telephone at residence for business use to be reimbursed from the Company.

FURTHER RESOLVED THAT Mr. Rashes M. Bhansali, Vice – Chairman and Managing Director shall be entitled to Commission as a percentage to the net profits of the Company, as may be decided by the Board of Directors from time to time, subject to the ceiling fixed under Section 197 and Schedule V and other applicable provisions of the Companies Act, 2013 and amendments made thereto from time to time and accordingly, in the event of loss or inadequacy of profit in any financial year, the salary payable to Mr. Rashes M. Bhansali, shall be governed by Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board and / or its committee be and is hereby in its absolute discretion to decide/determine, fix and/or vary/alter/modify within the limit stated above, the remuneration (including Minimum Remuneration in the event of absence or inadequacy of profits in any financial year) payable to Mr. Rashes M. Bhansali, Vice Chairman & Managing Director from time to time and to comply with all legal provisions and to do all such acts, deeds, things and matters etc., as may be considered necessary, desirable, expedient or proper to give effect to this resolution".

To pass with or without modification(s) the following resolutions as special Resolutions:

10. "RESOLVED that in supersession of the Ordinary Resolution adopted at the 26<sup>th</sup> Annual General Meeting held on 6<sup>th</sup> September, 2013 and pursuant to Section 180(1)(c) and any other applicable provisions of the

Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount to be borrowed together with the amount already borrowed apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹250 Crores (Rupees Two hundred fifty crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

By Order of the Board of Directors

Place: Mumbai

Date: 13<sup>th</sup> August, 2014

Regd. Office:

Gems & Jewellery Complex,  
M.I.D.C., SEEPZ, 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 on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

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 authorising their representative to attend and vote on their behalf at the Meeting.

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.

2. The details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under item no's. 5 to 10 is annexed hereto.
4. (a) The Register of Members and Share Transfer Books will remain closed from Thursday, 18<sup>th</sup> September, 2014 to Tuesday, 30<sup>th</sup> September, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2014.  
(b) Subject to the provisions of Section 126 of Companies Act, 2013 dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid on 10<sup>th</sup> October, 2014 to those members whose names appear on the Register of Members as on 17<sup>th</sup> September, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unpaid/unclaimed dividend in respect of financial year 2006-07 (1st Interim) and 2006-2007 (2<sup>nd</sup> Interim) has been transferred to the Investor Education and Protection Fund (IEPF). Members who have not yet encashed their dividend warrant(s) for the financial year 2009-2010, 2010-2011, 2011-2012 and 2012-2013 requested to approach the Company's Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd. The Details of unpaid dividend is also available on the website of the Company [www.goldiam.com](http://www.goldiam.com)
6. 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.
7. Non-Resident Indian Members are requested to inform M/s. Link Intime India Private Limited , immediately of :
  - Change in their residential status on return to India for permanent settlement.
  - 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.
8. 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.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit 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.
10. The Securities and Exchange Board of India (SEBI) has vide its circular no. MRD/ DoP/ Cir -05/2009 dated May 20, 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.
11. 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.
12. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants (s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode. Members may also note that the copy of Annual Report will also be available on the Company's website [www.goldiam.com](http://www.goldiam.com).
13. 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.
14. All documents referred to in the accompanying Notice and the Explanatory Statement, and other statutory register shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 6.30 pm) on all working days except Sunday and public holiday up to and including the date of the Annual General Meeting of the Company.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013; and the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime India Pvt. Ltd., for consolidation into a single folio.

17. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circular, etc. from the Company electronically.**

**18. Voting through electronic means**

Pursuant to provisions of section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

**The Instructions for members for voting electronically are as under:-**

(A) In case of members receiving e-mail:

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on "Shareholders" tab to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT".
- iv) Now Enter your User ID

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

	<b>For members holding shares in Demat form</b>	<b>For members holding shares in Physical form</b>
User-ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 Digit beneficiary ID	Folio Number registered with the Company.

v) Next enter the Image Verification as displayed and Click on Login.

vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and Voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date in the Dividend Bank details field.</b></li> </ul>



- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- A. Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- B. The voting period begins on 23<sup>th</sup> September, 2014 at 9.00 a.m. and ends on 25<sup>th</sup> September, 2014 at

6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- D. The voting right of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date 17<sup>th</sup> September, 2014.
- E. Ms. Neetu Agrawal, Practising Company Secretary (Membership No.25791 COP No.9272), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the present of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the Votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- F. The Result shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.goldiam.com](http://www.goldiam.com) and will be communicated to the Stock Exchanges on which the Company's equity shares are listed.

## **EXPLANATORY STATEMENT**

Explanatory Statement in respect of the special business pursuant to section 102 of the Companies Act, 2013 (Corresponding to Section 173 (2) of Companies Act, 1956) and forming part of the Notice dated 13<sup>th</sup> August, 2014.

### **Item No. 5:**

Pursuant to the provision of section 161 of the Companies Act, 2013 read with Articles of Association of the Company the Board of Directors, at their meeting held on 13<sup>th</sup> August, 2014, appointed Mrs. Ami R. Bhansali (DIN 00057937) as an Additional Director of the Company. Mrs. Ami R. Bhansali will hold the office upto the date of the Annual General Meeting of the Company. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing her candidature for the office of Director.

The Company has received from Mrs. Ami R. Bhansali (i) Consent in writing to act as a director in form DIR-2, pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

No director, Key Managerial Personnel or their relative, except Mrs. Ami R. Bhansali being an appointee director and Mr. Rashes M. Bhansali being relative, are interested or concern in the resolution.

The Board recommends the resolution set forth in item no. 5 for the approval of members.

### **Item No. 6:**

Mr. Rajesh G. Kapadia (holding DIN 00003272) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 1994. Mr. Rajesh G. Kapadia is also a Chairman of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. He is also a Director, on the Board of Goldiam Jewellery Limited, a non listed Material Indian Subsidiary as per the requirement of the listing agreement. He does not hold any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rajesh G. Kapadia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company. A notice has been received under Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing Mr. Rajesh G. Kapadia as a candidate for the office of Independent Director of the Company.

The Company has received from Mr. Rajesh G. Kapadia (i) Consent in writing to act as director in form DIR-2, pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification

of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Rajesh G. Kapadia fulfils the conditions specified in the Section 149 (6) of the Companies Act, 2013 and other applicable provisions of the said act and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management. A copy of the draft letter for the appointment of Mr. Rajesh G. Kapadia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working days.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajesh G. Kapadia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajesh G. Kapadia as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajesh G. Kapadia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### **Item No. 7:**

Mr. Ajay M. Khatlawala (holding DIN 00124042) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 1994. Mr. Ajay M. Khatlawala is also a member of Audit Committee, Nomination & Remuneration Committee and Stake Holder Relationship Committee and the Chairman of Corporate Social Responsibility Committee of the Board of Directors of the Company. He also appointed on the Board of Diagold Design Limited, a non listed Material Indian Subsidiary as per the requirement of the listing agreement. He holds 1000 shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ajay M. Khatlawala being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 4 (four) consecutive years for a term upto the conclusion of 31<sup>st</sup> Annual General Meeting of the Company. A notice has been received under Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing Mr. Ajay M. Khatlawala as a candidate for the office of Independent Director of the Company.

The Company has received from Mr. Ajay M. Khatlawala (i) Consent in writing to act as director in form DIR-2, pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification

of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Ajay M. Khatlawala fulfils the conditions specified in the Section 149 (6) of Companies Act, 2013 and other applicable provisions of the said act and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management. A copy of the draft letter for the appointment of Mr. Ajay M. Khatlawala as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working days.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ajay M. Khatlawala as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ajay M. Khatlawala as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ajay M. Khatlawala, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No. 8:**

Dr. Raghavachari Srinivasan (holding DIN 00003968) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May, 2002. Dr. Raghavachari Srinivasan is also a Chairman of Stake Holder Relationship Committee, member of Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. He does not hold any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. Raghavachari Srinivasan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 3 (Three) consecutive years for a term upto the conclusion of 30<sup>th</sup> Annual General Meeting of the Company. A notice has been received under Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing Dr. Raghavachari Srinivasan as a candidate for the office of Independent Director of the Company.

The Company has received from Dr. Raghavachari Srinivasan (i) Consent in writing to act as director in form DIR-2, pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) a declaration to the effect that he

meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Dr. Raghavachari Srinivasan fulfils the conditions specified in the Section 149 (6) of Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Dr. Raghavachari Srinivasan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Raghavachari Srinivasan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Raghavachari Srinivasan as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Raghavachari Srinivasan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No 9:**

The Members at their Annual General Meeting held on 12<sup>th</sup> August, 2010 approved the re-appointment of Mr. Rashesh M. Bhansali, Vice Chairman & Managing Director with effect from 1<sup>st</sup> February, 2011 for 5 years with the payment of remuneration as per below:

**PART A:**

Basic Salary: ₹ 3,00,000/- per month

**PART B:**

**1. Medical Reimbursement:**

Reimbursement of medical expenses incurred for self and family members subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

**2. Leave Travel Concession:**

Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company for the time being in force.

**3. Club Fees:**

Membership fees of two clubs.

**4. Gratuity:**

Gratuity shall be payable as per the provisions of the payment of Gratuity Act, 1972 as amended from time to time.

**5. Commission as a percentage of the net profit of the Company as decided by the Board from time to time, subject to the ceiling under the provisions of Companies Act, 1956.**

In view of the valuable contribution being made by Mr. Rashesh M. Bhansali towards the growth of the Company, the Board in its meeting held on 13th August, 2014, as recommended by Nomination and Remuneration Committee, subject to the approval of the Members of the Company in the Annual General Meeting, has decided to increase his remuneration as per below :

**Part A:**

1. Basic Salary: ₹ 5,00,000/- per month

**Part B:**

1. Medical Reimbursement:

Reimbursement of medical expenses incurred for self and family members subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

2. Leave Travel Concession:

Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company for the time being in force.

3. Club Fees:

Membership fees of two clubs.

4. Gratuity:

Gratuity shall be payable as per the provisions of the payment of Gratuity Act, 1972 as amended from time to time.

5. Car for Office Use.

6. Telephone at residence for business use to be reimbursed from the Company.

7. Commission as a percentage of the net profit of the Company as decided by the Board from time to time, subject to the ceiling under the provisions of Companies Act, 2013.

In, the event of loss or inadequacy of profit in any financial year, the salary payable to Mr. Rashesh M. Bhansali, shall be governed by Part II, Section II of Schedule V of the Companies Act, 2013.

**Profile of Mr. Rashesh M. Bhansali**

Date of Appointment	10 <sup>th</sup> October, 1986
Qualifications	Bachelors degree in Commerce
Expertise in specific functional area	Wide Knowledge & experience in the field of diamonds & Jewellery
Directorships held in other Public Companies (excluding Foreign Companies and Section 25 Companies)	· Diagold Designs Limited · Goldiam Jewellery Limited · Goldiam Jewels Limited
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders'/Investor Grievance Committees)	Nil
Number of Shares held	6000000

Accordingly, the Board recommends the resolution for the approval by the shareholders of the Company.

None of the Directors except Mr. Rashesh M. Bhansali and his father Mr. Manhar R. Bhansali and his wife Mrs. Ami R. Bhansali are deemed to be concerned or interested in the resolution set out at item No. 9.

**Item No 10:**

The members of the Company at their 26<sup>th</sup> Annual General Meeting held on 6<sup>th</sup> September, 2013 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings upto the limit of aggregate of paid up share capital and free reserves of the Company.

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, require to take members approval by way of a Special Resolution under Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, to enable to the Board of Directors to borrow money not exceeding ₹ 250/- crores over and above the aggregate of the paid up share capital and free reserves of the Company .

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

Accordingly, the Board recommends the resolution set out in item no. 10 for the approval by the shareholders of the Company.

By Order of the Board of Directors

Place: Mumbai

Date: 13<sup>th</sup> August, 2014

Regd. Office: Gems & Jewellery Complex,

M.I.D.C., SEEPZ, Andheri (E),

Mumbai - 400 096.

**ANITA KATE**

Company Secretary

**Details of the Director seeking appointment/re-appointment at the Annual General Meeting**

Particulars	<b>Mr. Manhar R. Bhansali (DIN 00058699)</b>
Date of Birth	20 <sup>th</sup> September, 1941
Date of Appointment	10 <sup>th</sup> October, 1986
Qualifications	Under Graduate
Expertise in specific functional area	Entered in the diamond business more than 4 decades ago. He is 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 driving force behind the success of the Company and his contribution to the enhancement of the Indian Gems & Jewellery Industry is unparalleled. Mr. Manhar Bhansali also honored with the prestigious "Pioneer of the year" Award instituted by IDCA (Indian Diamond & Colorstone Association), New York.
Directorships held in other Public Companies (excluding Foreign Companies and Section 25 Companies)	<ul style="list-style-type: none"> <li>• Diagold Designs Limited</li> <li>• Goldiam Jewellery Limited</li> </ul>
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders'/Investor Grievance Committees)	Nil
Number of Shares held	7103428

Particulars	<b>Mrs. Ami R. Bhansali (DIN 00057937)</b>
Date of Birth	23 <sup>th</sup> May, 1968
Qualifications	Bachelor degree in commerce
Expertise in specific functional area	Jewellery Designing
Directorships held in other Public Companies (excluding Foreign Companies and Section 25 Companies)	<ul style="list-style-type: none"> <li>• Goldiam Jewellery Limited</li> </ul>
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders'/Investor Grievance Committees)	Nil
Number of Shares held	Nil

Particulars	<b>Mr. Rajesh G. Kapadia (DIN 00003272)</b>
Date of Birth	2 <sup>nd</sup> November, 1956
Date of Appointment	15 <sup>th</sup> October, 1994
Qualifications	B.com (Hons.) F.C.A. (Fellow Member of Institute of Chartered Accountants of India)
Expertise in specific functional area	Extensive knowledge & experience in accounts, taxation and company matters.
Directorships held in other Public Companies (excluding Foreign Companies and Section 25 Companies)	<ul style="list-style-type: none"> <li>• Exide Industries Limited</li> <li>• Prism Cement Limited</li> <li>• Asianet Satellite Communications Limited</li> <li>• ING Vyasa Life Insurance Company Limited</li> </ul>
	<ul style="list-style-type: none"> <li>• Raheja QBE General Insurance Company Limited</li> <li>• Goldiam Jewellery Limited</li> <li>• EIH Associated Hotels Limited</li> </ul>



Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders'/Investor Grievance Committees)	<p><b><u>Chairman of Audit Committee</u></b></p> <ul style="list-style-type: none"> <li>● Exide Industries Limited</li> <li>● Prism Cement Limited</li> <li>● Raheja QBE General Insurance Company Limited</li> <li>● ING Vyasa Life Insurance Company Limited</li> </ul> <p><b><u>Member of Audit Committee</u></b></p> <ul style="list-style-type: none"> <li>● Asianet Satellite Communications Limited</li> <li>● EIH Associated Hotels Limited</li> </ul> <p><b><u>Member of Shareholders/Investor Committee</u></b></p> <ul style="list-style-type: none"> <li>● Prism Cement Limited</li> </ul>
Number of Shares held	Nil

Particulars	<b>Mr. Ajay M. Khatlawala (DIN 00124042)</b>
Date of Birth	2 <sup>nd</sup> May, 1954
Date of Appointment	15 <sup>th</sup> October, 1994
Qualifications	B.SC., LLB, Solicitor
Expertise in specific functional area	Wide Knowledge & experience in legal and Company matters.
Directorships held in other Public Companies (excluding Foreign Companies and Section 25 Companies)	<ul style="list-style-type: none"> <li>● Diagold Designs Limited</li> <li>● Dighi Port Limited</li> </ul>
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders'/Investor Grievance Committees)	Nil
Number of Shares held	1000

Particulars	<b>Dr. Raghavachari Srinivasan (DIN 00003968)</b>
Date of Birth	30 <sup>th</sup> May, 1931
Date of Appointment	2 <sup>nd</sup> May, 2002
Qualifications	Ph.D., CAIIB, FIB, Doctorate in Banking & Finance
Expertise in specific functional area	Wide experience in Banking & Finance
Directorships held in other Public Companies (excluding Foreign Companies and Section 25 Companies)	<ul style="list-style-type: none"> <li>● Graphite India Limited</li> <li>● Shalimar Paints Ltd</li> <li>● McLeod Russel India Limited</li> <li>● Williamson Magor &amp; Co. Ltd.</li> <li>● J. Kumar Infraprojects Limited</li> </ul>
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders'/Investor Grievance Committees)	<p><b><u>Chairman of Audit Committee</u></b></p> <ul style="list-style-type: none"> <li>● J. Kumar Infraprojects Limited</li> <li>● McLeod Russel India Limited</li> <li>● Shalimar Paints Ltd</li> </ul> <p><b><u>Member of Audit Committee</u></b></p> <ul style="list-style-type: none"> <li>● Graphite India Limited</li> <li>● Williamson Magor &amp; Co. Ltd.</li> </ul>
Number of Shares held	Nil

## **DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting this Twenty - Seventh Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended on 31<sup>st</sup> March, 2014.

### **FINANCIAL RESULTS:**

	(₹ in Lakhs)	
	<b>Year ended 31.03.2014</b>	Year ended 31.03.2013
Sales for the year	<b>12,527.05</b>	9,745.77
Profit before Interest & finance charges, depreciation & taxation	<b>1,571.49</b>	1,306.14
Less: Interest & finance Charges	<b>82.05</b>	70.97
Operating profit before depreciation & taxation	<b>1,489.44</b>	1,235.17
Less: Depreciation, amortization & impairment of asset	<b>171.14</b>	137.98
Profit before Exceptional Items	<b>1,318.30</b>	1,097.19
Add: Exceptional Items	<b>0.00</b>	180.33
Profit before taxation	<b>1,318.30</b>	1,277.52
Current Tax & Prior Year	<b>317.29</b>	257.58
Deferred Tax Liability	<b>1.38</b>	170.80
Profit after taxation	<b>999.63</b>	849.15
Add: Balance brought forward	<b>8,446.25</b>	8,082.96
Profit available for appropriation	<b>9,445.88</b>	8,932.11
Less: Appropriation:		
Transfer to General Reserve	<b>25.00</b>	50.00
Interim Dividend	<b>0.00</b>	249.46
Tax on Interim Dividend	<b>0.00</b>	40.47
Proposed Dividend	<b>299.35</b>	124.73
Provision for Tax on Proposed Dividend	<b>50.87</b>	21.20
Balance carried forward to Balance Sheet	<b>9070.65</b>	8,446.25

### **OPERATIONS:**

The operations of the Company have shown improvement as compared to the previous year. The Company has achieved a turnover of ₹12,527.05 lakhs during the year under report as compared to ₹9,745.77 lakhs during the previous year reflecting a growth of 28.54% over the previous year. The net profit of the company increased by 17.72% from ₹849.15 to ₹999.63 lakhs in the current year.

### **DEPOSITS:**

The Company has not invited/ accepted any deposit from the public during the year ended 31<sup>st</sup> March, 2014.

There were no unclaimed or unpaid deposits as on 31<sup>st</sup> March, 2014.

### **DIVIDEND:**

Your directors recommend payment of dividend of ₹1.20/- per share of face value of ₹10/- each for the year ended March 31, 2014 as against a dividend of ₹1.50/- per share of face value of ₹10 each for the previous year.

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 24<sup>th</sup> May, 2012 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 98% 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 the Companies Act, 2013 and the Articles of Association of the Company, Mr. Manhar R. Bhansali (DIN 00058699), Director of the Company, retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer himself for re-appointment. Your Directors recommend his 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:

- (i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2014, 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 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 31<sup>st</sup> March, 2014 on a 'going concern' basis.

#### AUDITORS:

M/s. Pulindra Patel & Co., Chartered Accountants, statutory auditors of the Company having registration number FRN No.115187W hold the office from the conclusion of this Annual General Meeting until the conclusion of the 30<sup>th</sup> Annual General Meeting. The Company has received a certificate from the statutory auditors to the effect that their re-appointment, if made, would be within the limits prescribed. The statutory auditors have also confirmed that they hold a valid certificate issued by the "Peer Review Board" of The Institute of Chartered Accountants of India.

#### VARIOUS COMMITTEES:

##### a) Corporate Social Responsibility Committee:

During the year, your directors have constituted the Corporate Social Responsibility Committee comprising Mr. Ajay M. Khatlawala as the Chairman of the committee and Mr. Manhar R. Bhansali, Mr. Rashesh M. Bhansali as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

##### b) Nomination & Remuneration Committee:

During the year, your directors have constituted the Nomination & Remuneration Committee comprising Mr. Rajesh G. Kapadia as the Chairman of the Committee, Mr. Ajay M. Khatlawala and Dr. R. Srinivasan as other members.

##### c) Stakeholder Relationship Committee:

During the year, your directors have re-constituted/re-named existing "Shareholder/Investor Grievance Committee" which shall be termed as "Stakeholder Relationship Committee" consisting of Dr. R. Srinivasan as a Chairman of the Committee, Mr. Rashesh M. Bhansali and Mr. Ajay M. Khatlawala as members.

#### 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 ₹12,527.05 lakhs during the year under report, 2013-2014, as compared to ₹9,745.77 lakhs in the previous year, 2012-2013.

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
<b>1) Foreign Exchange Earned</b>		
Export of Goods of F.O.B basis	<b>11,765.80</b>	9,227.77
<b>2) Outgo of Foreign Exchange</b>		
i) Raw Materials	<b>3,526.35</b>	3,642.49
ii) Consumable Store	<b>14.64</b>	10.73
iii) Capital Goods	<b>0.560</b>	17.42
iv) Foreign Travels	<b>8.67</b>	8.30
v) Others	<b>40.96</b>	20.12
vi) Dividend	<b>13.50</b>	37.80

**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 the 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: May 27, 2014

**MANHAR R. BHANSALI**  
(DIN 00058699)  
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.

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and developments:

The gems and jewellery industry occupies an important position in Indian economy. It is one of the oldest industries in the world and has gone through a transition in the last decade and also a leading foreign exchange earner and also one of the fastest growing industries in the country. The major two segments of the sector in India are gold Jewellery and diamond and this sector is further engaged in sourcing, manufacturing, and processing, which involves cutting, polishing and selling precious gemstone and metals such as diamonds, other precious stones, gold, silver and platinum. Geographically, the US continues to be the largest consumer for gems and jewellery, followed by China, India, the Middle East and Japan. In Western Europe, the UK and Italy are the largest consumers. Italy is also one of the world's largest jewellery fabrication centre. The emerging markets like China, India which have been traditional hubs of jewellery consumption, are expected to develop as the largest consumption markets for both traditional as well as branded Jewellery.

According to the Gem & Jewellery Export Promotion Council (GJEPC) the Indian Gems & Jewellery section for the F.Y 2013-2014 has contributed US\$ 34,746.90 million to India's foreign exchange earnings, with a decline of 11 percent as compared to the last year figures. The financial year 2013-14 saw an increase of 12.65 percent in export of cut and polished diamonds with figures of US\$ 19,635 million. The industry also saw an increase of 11.98 percent in imports of rough diamonds with figures of US\$ 1,6716 million indicating an increase in cutting, polishing and other manufacturing activities in India. The export of gold jewellery & Gold medallions together for the period April 2013-14 was at US\$ 11,045.92 million which shows a decline of 39.50 percent. This was mainly due to the non-availability of the gold limiting the extent of trade for many of the Indian players. The average price for exported gold was lower than previous year adding to the woes of the industry that took a hit and closed at a negative of 11 percent. The coloured gemstones export also dropped by 20.10 percent in this year with figures of US\$ 519 million. The Silver jewellery exports had a significant increase by 58.57 percent with figures of US\$ 1460 million. Key exporting destinations for Gems & Jewellery in 2013-14 were UAE with 35% of exports valued at US\$ 12,195.34 followed by Hong Kong that stood at 28% with value of US\$ 9,790.45 and USA at 14% with export value of US\$ 4,948.92.

### Opportunities:

The jewellery industry is growing at a healthy rate, the shining metals of India brings more sparkle to the economy. There has been a robust growth in the diamond sector. The market is bullish and the US and Europe markets have also

improved. The Company major export goes to USA and European countries, and some to Russia. The increase in profit shows the progress of the Company, it is increased by 17.72% in F.Y 2013-2104. The Company looking for a new ventures and use improved technology for increasing its sales to satisfy the requirement of its customers.

### Threats:

The Company is exposed to risk in exchange rate fluctuations as the Company is dependent on exports sales and import of raw material. However, the Company closely monitors and takes appropriate steps to reduce such risks. Competition which has always been a challenge is countered by better quality and designs, branding, catering to changing customer demands/styles and cost control measures. Increasing prices of raw materials have affected and can affect the profit margins. However, the Company continuously thrives for improved production efficiency to counter this risk as far as possible

### Segment-wise Performance:

The Company has two segments viz. jewellery manufacturing and investment activity. The Company has achieved a turnover of ₹12,743.17 lakhs in the jewellery segment and of ₹413.69 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.

#### a) 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.

#### b) 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.

#### c) 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.

**d) 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, have made the small beginning and diversified and tapped the markets in Middle East, Thailand, Europe, Russia and Japan.

**Outlook:**

The outlook for the Gems & Jewellery Industry looks positive. As the Company is always strive for increasing its sales and profit, in coming F.Y 2014-2015 also it will strive for increasing its export by 10 To 20%.

**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 ₹12,527.05 lakhs during the year under review as

compared to ₹9,745.77 lakhs during the previous year reflecting a growth of 28.54% over the previous year. The profit of the Company has increased from ₹849.15 lakhs to ₹999.63 lakhs.

The consolidated turnover of the Company, its Subsidiaries and Joint Ventures has increased from ₹26,566.65 lakhs in the previous year to ₹31,383.96 lakhs during the year under review recording a growth of 18.13%. The consolidated net profit after tax and minority interest and profit and loss on disposal of subsidiary has decreased from ₹1,865.96 lakhs in the previous year to ₹1,707.04 lakhs in the year under review registering decline growth of 8.52%.

**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 2013-2014.

### 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 31<sup>st</sup> March, 2014 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	2	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	6	4	3

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:

Four Board meetings were held during the financial year ended on 31<sup>st</sup> March, 2014. These were held on 24<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013, and 11<sup>th</sup> February, 2014.

#### Attendance of each director at the Board meetings held during the financial year ended 31<sup>st</sup> March, 2014 and the last AGM:

Director	No. of Board meetings held	No. of Board meetings attended	Last AGM (YES/NO)
Mr. Manhar R. Bhansali	4	3	YES
Mr. Rashesh M. Bhansali	4	4	YES
Mr. Rajesh G. Kapadia	4	3	YES
Mr. Ajay M. Khatlawala	4	4	YES
Dr. R. Srinivasan	4	4	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.
- Recommending to the Board, the appointment of Cost Auditor.

- 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, compliance certificate issued by the cost auditor 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 24<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013, and 11<sup>th</sup> February, 2014 reviewed the Annual Accounts of the Company for the financial year 2013-2014 and approved the same. The meetings held on 12<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013, and 11<sup>th</sup> February, 2014 reviewed and approved the results for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> 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	4
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' grievance and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/ or legal impediments.

**SHAREHOLDER/INVESTOR SERVICE:**

Shareholder/Investor Service is handled by the Company Secretary who provides timely services. The Company received 25 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 2013-14:****(a) Remuneration paid to Executive Directors:**

(Amount in ₹)

Name	Salary	Bonus	Other perks	Commission	Total
Mr. Manhar R. Bhansali	nil	nil	nil	nil	nil
Mr. Rashesh M. Bhansali	36,00,000	nil	nil	20,41,589	56,41,589

**(b) Remuneration paid to Non-Executive Directors:**

Name	Sitting Fees	No. of Shares held
Mr. Rajesh G. Kapadia	45,000	nil
Mr. Ajay M. Khatlawala	60,000	1000
Dr. R. Srinivasan	60,000	nil

**GENERAL BODY MEETINGS:****a) Location, date & time of the last three Annual General Meetings and the Special Resolutions passed thereat:**

Financial Year	Date & Time	Location	Special Resolution passed
2010-2011	10.08.2011 2.30 p.m.	'Tribune 1' Banquet Hall, 6 <sup>th</sup> floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093	No special resolution passed
2011-2012	14.08.2012 2.30 p.m.	'Tribune 1' Banquet Hall, 6 <sup>th</sup> floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093	No special resolution passed
2012-2013	06.09.2013 3.00 p.m.	'Tribune 1' Banquet Hall, 6 <sup>th</sup> 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 2013-2014.

**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.26, 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](http://www.goldiam.com)'. Annual Reports are despatched to all the shareholders. No presentation was made to the institutional investors or analysts during the year.

**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. Rashesh 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 2013-2014.

For GOLDIAM INTERNATIONAL LIMITED

Mumbai: 27<sup>th</sup> May, 2014

**RASHESH M. BHANSALI**  
Vice Chairman & Managing Director  
DIN 00057931

## **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 March 31, 2014 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  
ICAI FRN No. 115187W

**PULINDRA M. PATEL**  
Proprietor  
Membership No. 48991

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014

**GENERAL SHAREHOLDER INFORMATION:**

- I. Annual General Meeting:  
 Date 30<sup>th</sup> September, 2014  
 Time 10.30 A.M.  
 Venue 'TRIBUNE 1' Banquet Hall, 6th Floor, Hotel Tunga International, M.I.D.C., Central Road, Andheri (East), Mumbai - 400 093.
- II. Financial Year: 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014
- III. Date of Book Closure: 18<sup>th</sup> September, 2014 To 30<sup>th</sup> September, 2014
- IV. Dividend Payment Date: 10<sup>th</sup> October, 2014
- V. 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.
- VI. Stock Codes: BSE - 526729, NSE - GOLDIAM EQ.
- VII. Market Price Data:  
 The High and Low Prices of the Company's share during each month in the financial year 2013-2014 are as below:

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	24.45	19.20	26.00	18.55
May, 2013	24.40	20.25	25.60	19.20
June, 2013	21.30	18.95	21.60	18.15
July, 2013	22.30	19.15	22.90	19.00
August, 2013	20.90	17.95	21.35	17.20
September, 2013	21.90	18.60	21.90	18.00
October, 2013	29.00	19.00	28.10	20.65
November, 2013	25.30	21.00	24.20	20.20
December, 2013	25.00	17.55	23.60	20.00
January, 2014	26.00	20.20	24.95	19.50
February, 2014	22.75	19.60	24.50	19.90
March, 2014	23.00	19.10	22.20	19.10

- VIII. Performance:  
 Generally the share price movement is along the stock market trends and the market trend of the Jewellery Industry.
- IX. 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](mailto:rnt.helpdesk@linkintime.co.in)
- X. 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 affected 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.
- XI. Distribution of Shareholding:  
 Distribution of Shareholding as on 31<sup>st</sup> March, 2014:

Equity Shareholding	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 500	8063	82.0662	1605397	6.4355
501 – 1000	806	8.2036	657742	2.6367
1001 – 2000	478	4.8651	733973	2.9422
2001 – 3000	151	1.5369	384509	1.5414
3001 – 4000	70	0.7125	253517	1.0163
4001 – 5000	58	0.5903	274009	1.0984
5001 – 10000	113	1.1501	821499	3.2931
10001 & Above	86	0.8753	20215350	81.0365
<b>Total</b>	<b>9825</b>	<b>100.00</b>	<b>24945996</b>	<b>100.0000</b>

Shareholding Pattern as on 31<sup>st</sup> March, 2014:

Category	Number of Shares	Percentage
Shareholding of Promoters & Promoter Group	14098100	56.51
Public Shareholding		
• Institutions		
Mutual Funds/ UTI	8000	0.03
Financial Institutions/ Banks	400	0.0016
• Non-Institutions		
Bodies Corporate	651084	2.61
Individuals	6665549	26.72
Clearing Member	9729	0.04
Market Maker	23928	0.10
Foreign Nationals, NRIs, Foreign Companies, OCBs	3112365	12.48
Independent Directors	1000	0.004
HUF	375841	1.51
<b>Total</b>	<b>24945996</b>	<b>100.00</b>

- XII. As per Clause 5A II of the amended Equity Listing Agreement, Company has sent three reminders to concerned shareholder for their unclaimed shares. Company is in the process of dispatching the share certificate who has approached the Company. However, remaining shares have been transferred to Unclaimed Suspense Account.

Aggregate number of shareholders	251
Outstanding shares in the suspense account lying as on March 28, 2014	128400
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil
Aggregate number of shareholders at the end of the year	251
Outstanding shares in the suspense account lying as on March 31, 2014.	128400

- 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 31<sup>st</sup> March, 2014, 24519879 equity shares, representing 98.29% 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.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF GOLDIAM INTERNATIONAL LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of GOLDIAM INTERNATIONAL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give

in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

#### **2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**(Pulindra M. Patel)**

Proprietor

Membership No. 48991

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014

## **Annexure**

### **(Referred to in 3<sup>rd</sup> 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 granted loans to one party covered in the registered maintained under section 301 of the Act. The maximum involved during the year was ₹37.00 lacs and year end balance of the loans granted was ₹ Nil.

- b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
- c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- d) There is no overdue amount of loans granted to companies, listed in the register maintained under section 301 of the Companies Act, 1956.
- e) According to the information and explanations given to us, the Company has not taken unsecured loans from any party covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and service. During the course of our audit, no major weakness has been noticed in the internal controls.
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 lacs 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 company has an internal audit system commensurate with the size and nature of its business.
8. We have reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
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	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Property Tax	136.97	1997-98	Bombay High Court

10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and has not incurred cash losses in the immediately preceding financial year.
11. Based on our audit procedures and on 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 by way of debentures.
12. 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. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund societies.
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 has given guarantee for loans taken by its associates from banks or financial institutions. 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. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been utilized for long-term investment.
18. As per the information and explanations given to us the Company has not made preferential allotment of shares during the year to the 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. 48991

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

	Notes No.	As at 31.03.2014	(₹ in Lakhs) As at 31.03.2013
<b>I) EQUITY &amp; LIABILITIES :</b>			
<b>1) SHAREHOLDERS' FUNDS :</b>			
[a] SHARE CAPITAL	1	2,494.60	2,494.60
[b] RESERVES AND SURPLUS	2	14,814.41	14,165.01
[c] MONEY RECEIVED AGAINST SHARE WARRENTS		—	—
		<b>17,309.01</b>	<b>16,659.62</b>
<b>2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		—	—
<b>3) NON-CURRENT LIABILITIES</b>			
[a] LONG - TERM BORROWINGS		—	—
[b] DEFERRED TAX LIABILITY (NET)	3	96.55	95.17
[c] OTHER LONG TERM LIABILITIES		—	—
[d] LONG - TERM PROVISIONS		—	—
		<b>96.55</b>	<b>95.17</b>
<b>4) CURRENT LIABILITIES</b>			
[a] SHORT TERM BORROWINGS	4	2,892.85	5,294.87
[b] TRADE PAYABLES	5	3,255.46	2,378.56
[c] OTHER CURRENT LIABILITIES	6	287.83	267.87
[d] SHORT - TERM PROVISIONS	7	455.87	265.48
		<b>6,892.00</b>	<b>8,206.78</b>
<b>TOTAL</b>		<b>24,297.57</b>	<b>24,961.56</b>
<b>II) ASSETS :</b>			
<b>1) NON - CURRENT ASSETS</b>			
[a] FIXED ASSETS			
(i) TANGIBLE ASSETS	8	1,935.67	1,954.99
(ii) INTANGIBLE ASSETS		—	—
(iii) CAPITAL WORK - IN - PROGRESS		33.01	14.86
(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT		—	—
[b] NON - CURRENT INVESTMENT	9	2,502.98	2,753.10
[c] DEFERRED TAX ASSETS (NET)	3	—	—
[d] LONG - TERM LOANS & ADVANCES	10	22.81	22.81
[e] OTHER NON - CURRENT ASSETS		—	—
		<b>4,494.48</b>	<b>4,745.77</b>
<b>2) CURRENT ASSETS</b>			
[a] CURRENT INVESTMENT	11	7,334.82	8,032.51
[b] INVENTORIES	12	3,578.22	3,364.98
[c] TRADE RECEIVABLES	13	7,735.98	6,976.01
[d] CASH & BANK BALANCE	14	232.75	1,270.12
[e] SHORT - TERM LOANS & ADVANCES	15	921.33	572.18
[f] OTHER CURRENT ASSETS		—	—
		<b>19,803.09</b>	<b>20,215.80</b>
<b>TOTAL</b>		<b>24,297.57</b>	<b>24,961.56</b>

### SIGNIFICANT ACCOUNTING POLICIES NOTES ON FINANCIAL STATEMENTS

1 to 42

The notes referred to above form an integral part of these financial statements

As per our attached report of even date.

**For Pulindra Patel & Co.**

Chartered Accountants

ICAI firm Registration 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

DIN 00058699

**Rashesh M. Bhansali**

Vice Chairman & Mg. Director

DIN 00057931

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

	Notes No.	Current Year	(₹ in Lakhs) Previous Year
I) REVENUE FROM OPERATIONS	16	12,527.05	9,745.77
II) OTHER INCOME	17	638.07	451.35
III) TOTAL REVENUE (I+II)		<u>13,165.12</u>	<u>10,197.12</u>
IV) EXPENSES :-			
COST OF MATERIALS CONSUMED	18	9,481.19	7,191.80
PURCHASE OF STOCK IN TRADE		690.12	589.37
CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK IN TRADE	19	190.13	5.71
EMPLOYEE BENEFITS EXPENSES	20	193.24	156.48
FINANCE COSTS	21	82.05	70.97
DEPRECIATION, AMORTISATION AND IMPAIRMENT	8	171.14	137.98
OTHER EXPENSES	22	1,038.96	947.62
TOTAL EXPENSES		<u>11,846.82</u>	<u>9,099.93</u>
V) PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		1,318.30	1,097.19
VI) EXCEPTIONAL ITEMS	23	—	180.33
VII) PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)		<u>1,318.30</u>	<u>1,277.52</u>
VIII) TAX EXPENSES			
- CURRENT TAX & PRIOR YEAR		317.29	257.58
- DEFERRED TAX LIABILITY		1.38	170.80
IX) PROFIT FOR THE PERIOD		<u>999.63</u>	<u>849.15</u>
X) EARNINGS PER EQUITY SHARE (Face Value ₹ 10 ) :			
Basic		4.01	3.40
Diluted		4.01	3.40

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON FINANCIAL STATEMENTS 1 to 42

The notes referred to above form an integral part of these financial statements

As per our report of even date.

**For Pulindra Patel & Co.**

Chartered Accountants

ICAI firm Registration 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

DIN 00058699

**Rashesh M. Bhansali**

Vice Chairman & Mg. Director

DIN 00057931

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

PARTICULARS	2013-14	2012-13
(₹ in Lakhs)		
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1,318.30	1,277.52
ADJUSTMENT FOR :		
Depreciation, Amortisation and Impairment	171.14	137.98
(Profit)/Loss on sale of Investment (Net)	(245.91)	(210.65)
Net unrealised foreign exchange (gain)/ loss	37.41	534.44
Revaluation Loss on Investments	(39.12)	19.80
(Profit)/Loss on sale of Assets	(0.49)	(180.33)
Dividend received	(33.13)	(50.00)
Interest Income	(142.42)	(84.94)
Finance Cost	82.05	70.97
	<b>(170.47)</b>	<b>237.27</b>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,147.83	1,514.79
ADJUSTMENT FOR :		
Trade receivable and other loans	(980.42)	(1,891.24)
Inventories	(213.24)	(577.15)
Trade Payable and other liabilities	827.95	271.42
	<b>(365.71)</b>	<b>(2,196.97)</b>
CASH GENERATED FROM OPERATIONS	<b>782.12</b>	<b>(682.18)</b>
Income Tax Paid (net)	(323.86)	(182.51)
	<b>(323.86)</b>	<b>(182.51)</b>
CASH FLOW BEFORE EXTRAORDINARY ITEMS	<b>458.25</b>	<b>(864.69)</b>
NET CASH FROM OPERATING ACTIVITIES	<b>458.25</b>	<b>(864.69)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(169.98)	(1,486.30)
Sale of Fixed Assets	0.50	755.70
Purchase of Investments	(13,684.12)	(14,897.18)
Sale of Investments	14,916.95	13,304.72
Sale of Investments in Subsidiary		183.58
Interest received	142.42	84.94
Dividend received	33.13	50.00
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	<b>1,238.90</b>	<b>(2,004.55)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Short Term Borrowing	(2,509.52)	3,176.79
Finance Cost	(82.05)	(70.97)
Dividend paid	(124.73)	(349.24)
Tax on dividend	(21.20)	(56.66)
NET CASH USED IN FINANCING ACTIVITIES	<b>(2,737.49)</b>	<b>2,699.92</b>
NET INCREASE/(DECEASE) IN CASH AND CASH EQUIVALENTS	<b>(1,040.33)</b>	<b>(169.31)</b>
CASH AND CASH EQUIVALENTS AS AT 01.04.2013	<b>1,263.10</b>	<b>1,432.41</b>
CASH AND CASH EQUIVALENTS AS AT 31.03.2014	<b>222.77</b>	<b>1,263.10</b>

**Note :**

- Figures in bracket represent cash outflow.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between Investing and financing activities.
- The Cash and cash equivalents figures are net off overdrawn balance with bank reflected in other current liability (Note no.-6).
- The cash flow statement has been prepared under the "Indirect Method" as set out in "Accounting Standard -3 Cash Flow Statement" as prescribed in the Companies ( Accounting Standards) Rules, 2006.

The accompanying notes are integral part of the financial statements.  
As per attached report of even date.

**For Pulindra Patel & Co.**

Chartered Accountants  
ICAI firm Registration No. 115187W

**Pulindra M. Patel**  
Proprietor  
Membership No.: 048991

Place : Mumbai  
Date : 27<sup>th</sup> May, 2014

For and on behalf of the Board

**Anita Kate**  
Company Secretary

**Manhar R. Bhansali**  
Chairman & Mg. Director  
DIN 00058699

Place : Mumbai  
Date : 27<sup>th</sup> May, 2014

**Rashesh M. Bhansali**  
Vice Chairman & Mg. Director  
DIN 00057931

## **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 other pronouncements of the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) and also accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs. 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.

### **C) FIXED ASSETS:**

#### **i) Tangible 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.

#### **ii) Capital work in progress is stated at the amount expended upto the date of Balance sheet.**

### **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:**

- a) Investment in foreign subsidiaries and Joint venture are recorded at the exchange rate prevailing on the date of making the investment.
- b) 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.
- c) 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.
- d) 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.
- e) The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. These foreign exchange forward contracts 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 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 :**

**a) Short-term employee benefits :**

All employee benefits payable within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia.

**b) Defined Contribution Plan :**

Defined Benefit plans of the company comprise gratuity, provident fund and pension plans.

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.

**c) 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) BORROWING COST**

Financial Income and borrowing costs include interest income on bank deposits and interest expense on loans recognised when the right to receive the payment is established.

**M) 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.

**N) 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.

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.

**O) 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.

**P) 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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

### 1 SHARE CAPITAL :

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>Authorised Capital</b>		
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
<b>Issued Capital</b>		
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
<b>Subscribed and Paid up Capital</b>		
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
<b>TOTAL</b>	2,494.60	2,494.60

- 1.01 (i) 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
<b>Equity shares with voting rights :</b>		
At the beginning of the year		
– Number of shares	24945996	24945996
– Amount (₹) in lakhs	2,494.60	2,494.60
<b>Add : Addition during the year :</b>		
– Number of shares	—	—
– Amount (₹) in lakhs	—	—
<b>Less : Deduction During the year :</b>		
– Number of shares	—	—
– Amount (₹) in lakhs	—	—
<b>Year ended 31 March, 2014 :</b>		
– Number of shares	24945996	24945996
– Amount (₹) in lakhs	2,494.60	2,494.60
<b>Year ended 31 March, 2013</b>		
– Number of shares	24945996	24945996
– Amount (₹) in lakhs	2,494.60	2,494.60

### 1.02 (ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	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	5900000	23.65%	5703638	22.86%
M/s Diajewel N.V.	2700000	10.82%	2700000	10.82%
Equity shares with differential voting rights	—	—	—	—

**1.03 (iii) 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:**

The company has bought back 2086804 equity shares with voting rights in the financial year 2008 - 2010.

Aggregate number of shares

Particulars	As at 31.03.2014	As at 31.03.2013
<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	—	—
<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	—	—
<b>2 RESERVES AND SURPLUS :</b>		(₹ in Lakhs)
1. Capital Redemption Reserve :		
As per last Balance Sheet	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	5,030.38	4,980.38
Add: Transferred for profit & loss account	25.00	50.00
	5,055.38	5,030.38
4. Surplus in the Statement of Profit & Loss Account		
As Per last Balance Sheet	8,446.25	8,082.96
Add : Net Profit after tax transferred from Statement of Profit and Loss	999.63	849.15
	9,445.88	8,932.10
Less: Appropriations		
- Transferred to General Reserve	25.00	50.00
- Interim Dividend	—	249.46
- Proposed Dividend	299.35	124.73
- Tax on Interim Dividend	—	40.47
- Tax on Proposed Dividend	50.87	21.20
Amount available for appropriation	9,070.65	8,446.25
<b>TOTAL</b>	<b>14,814.41</b>	<b>14,165.01</b>
<b>3 DEFERRED TAXES :</b>		
Deferred Tax Liabilities :		
i) Relating to Depreciation, Amortisation and Impairment	99.30	108.18
	99.30	108.18
Less : Deferred Tax Assets :		
i) relating to Employee Benefits & Provision thereof	2.75	13.02
	2.75	13.02
<b>TOTAL</b>	<b>96.55</b>	<b>95.17</b>
<b>4 SHORT TERM BORROWINGS :</b>		
(a) <b>Loans repayable on demand :</b>		
Form Banks		
— Secured		
Preshipment Credit in Foreign Currency with YES Bank Ltd	—	2,007.55
4.01 (Secured by first pari passu charge on all the entire current assets of the Company both present and future)		
Preshipment Credit in Foreign Currency with CITI Bank N.A.	1,257.47	1,670.90
Post Shipment Credit in Foreign Currency with CITI Bank N.A.	734.82	99.62
4.02 (Secured by Pledge in investments in Fixed Monthly Plans (FMP) and other debt mutual fund through Citi Bank N.A.)		
Particulars	Unit	
Birla Sun Life Cash Plus - Growth - Regular Plan	352152.825	
DWS Insta Cash Plus Fund - Super Institutional Plan - Growth	401115.210	
DWS Short Maturity Fund Regular Plan - Annual Bonus	2207743.644	
IDFC Money Manager Fund-Treasury Plan-Growth-(Regular Plan)	1783646.370	

		(₹ in Lakhs)	
Particulars	As at 31.03.2014	As at 31.03.2013	
ICICI Prudential Liquid - Regular Plan - Growth	385501.542		
Templeton India Treasury Management Account Super Institutional Plan-Growth	2278.340		
Preshipment Credit in Foreign Currency with HSBC Bank	489.51	1,516.80	
Post Shipment Credit in Foreign Currency with HSBC Bank Ltd	411.05	—	
4.03 (Secured by Pledge in investments in other debt mutual funds through HSBC Bank)			
Particulars	Unit		
Birla Sun Life Savings Fund - Growth - Regular Plan	186266.528		
Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	2526145.607		
ICICI Prudential Flexible Income - Regular Plan - Growth	537293.105		
	<b>2,892.85</b>	<b>5,294.87</b>	
4.04 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	1.53% to 1.92%	May-14 to May-15	
Post shipment credit in foreign currency	1.51% to 1.86%	Mar-14 to Jun-14	
5 <b>TRADE PAYABLES :</b>			
Due to Micro, Small and Medium Enterprises	14.16	15.64	
Others	3,241.29	2,362.93	
	<b>3,255.46</b>	<b>2,378.56</b>	
<b>TOTAL</b>	<b>3,255.46</b>	<b>2,378.56</b>	
6 <b>OTHER CURRENT LIABILITIES :</b>			
<b>Other payables :</b>			
a) Statutory dues payable	13.42	11.39	
b) Payables on Purchase of Fixed Assets			
i) Dues of Micro, Medium & Small enterprises	—	0.16	
ii) Others	—	—	
c) Salaries due to director	20.42	10.12	
d) Other liabilities (including Expenses and Others)	27.12	21.73	
e) Trade / Security Deposits	0.50	0.50	
f) Advance received from clients	195.65	192.06	
g) Overdrawn balance with Banks	9.98	7.02	
h) Unclaimed dividend	20.75	24.90	
<b>TOTAL</b>	<b>287.83</b>	<b>267.87</b>	
6.01 <b>DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES :</b>			
(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.	14.16	15.80	
(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	
7 <b>SHORT - TERM PROVISIONS :</b>			
<b>(a) Provision - Others:</b>			
(i) Provision for tax (net of advance tax ₹195.55 Lakh as at 31 March, 2013 ₹137.30 Lakh)	96.45	116.25	
(ii) Provision for Leave Salary	7.97	1.16	
(iii) Proposed Dividend	299.35	124.73	
(iv) Provision for Tax on Proposed Dividend	50.87	21.20	
(v) Provision for Wealth Tax	1.22	2.14	
	<b>455.87</b>	<b>265.48</b>	
<b>TOTAL</b>	<b>455.87</b>	<b>265.48</b>	

**8 FIXED ASSETS : (₹ in Lakhs)**

Sr. Description No.	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as on 01.04.2013	Addition	Deduction	Cost As on 31.03.2014	As on 01.04.2013	For the Year	As on 31.03.2014	As on 31.03.2013
<b>TANGIBLE ASSETS</b>								
1 FACTORY BUILDING	313.33	—	—	313.33	259.09	5.42	264.51	54.24
2 OFFICE PREMISES	1,647.02	45.66	—	1,692.68	156.90	75.48	232.38	1,490.12
3 FURNITURE & FIXTURE	266.73	60.57	—	327.30	224.77	11.87	236.64	41.96
4 OFFICE EQUIPMENT	125.69	24.84	0.50	150.03	98.29	4.75	102.55	27.41
5 PLANT AND MACHINERY	625.29	15.68	—	640.97	453.13	27.10	480.23	172.17
6 COMPUTERS	173.46	5.09	—	178.55	160.46	6.09	166.56	13.00
7 VEHICLES	267.78	—	—	267.78	111.68	40.41	152.10	156.10
<b>TOTAL Rs.</b>	<b>3,419.31</b>	<b>151.83</b>	<b>0.50</b>	<b>3,570.64</b>	<b>1,464.32</b>	<b>171.14</b>	<b>1,634.97</b>	<b>1,954.99</b>
PREVIOUS YEAR	2,484.78	1,471.44	536.90	3,419.31	1,541.99	137.98	1,464.32	1,954.99

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

# Goldiam International Limited

## 9 NON - CURRENT INVESTMENTS :

(₹ in Lakhs)

Particulars	Number	Face Value	As at 31.03.2014	Number	As at 31.03.2013
<b>(Long Term Investments)</b>					
<b>TRADE:</b>	<b>No. of Shares</b>			<b>No. of Shares</b>	
<b>In Equity Shares of Subsidiary Company - Unquoted, fully paid up</b>					
1) Diagold Designs Limited	2039658	10	<b>468.39</b>	2039658	468.39
2) Goldiam Jewellery Limited	1000000	10	<b>100.00</b>	1000000	100.00
3) Goldiam USA, Inc. (Face value of US\$ 0.01/- each)	200	—	<b>72.00</b>	200	72.00
<b>OTHER THAN TRADE:</b>					
<b>In Equity Shares of Joint Venture Company - Unquoted, fully paid up</b>					
Goldiam HK Limited (Face Value of HK\$ 1/-each)	5982725	—	<b>327.78</b>	5982725	327.78
<b>In Equity Shares - Unquoted, fully paid up</b>					
1) Sip Technologies Limited	1891	10	<b>0.19</b>	1891	0.19
<b>OTHER THAN TRADE:</b>					
<b>In Equity Shares - Quoted, fully paid up</b>					
1) Classic Diamonds (I) Ltd	5	2	<b>0.00</b>	5	0.00
2) Reliable Ventures Ltd	50000	10	<b>7.75</b>	50000	5.70
3) S B & T International Ltd	1	10	<b>0.00</b>	1	0.00
4) Shrenuj & Co Ltd	5	2	<b>0.00</b>	5	0.00
5) Suashish Diamonds Ltd	1	10	<b>0.00</b>	1	0.00
6) Titan Industries Ltd	20	1	<b>0.00</b>	20	0.00
7) Winsome Diamonds And Jewellery Ltd **	1	10	<b>0.00</b>	1	0.00
** Name change from Suraj Diamonds & Jewellery Ltd					
<b>In Units of Mutual Fund - Fixed Maturity Plan Quoted, fully paid up</b>	<b>No. of Units</b>			<b>No. of Units</b>	
1) DSP BlackRock FMP Series 150 - 13 Month - Growth	1810000	10	<b>181.00</b>	—	—
2) IDFC Fixed Maturity Plan Thirteen Months Series 7-Growth	—	10	—	2199990	220.00
3) IDFC Fixed Term Plan Series 79 Regular Plan - Growth (390 Days)	3000000	10	<b>300.00</b>	—	—
4) Reliance Fixed Horizon Fund XXI - Series 18 - Growth Plan	—	10	—	1750000	175.00
5) Reliance Fixed Horizon Fund XXV - Series 31-Growth Plan	1000000	10	<b>100.00</b>	—	—
<b>In Bond - Quoted, fully paid up</b>	<b>No. of Bonds</b>			<b>No. of Bonds</b>	
1) 8.20% Tax Free National Highways Authority of India 10Years Bond	7417	1,000	<b>74.17</b>	7417	74.17
2) 8.10% Tax Free Housing and Urban Development Corporation Limited 10 Yrs Bond	8676	1,000	<b>86.76</b>	22676	226.76
3) 8.40% Tax Free Indian Railway Finance Corporation Ltd SR-92 15 Yrs Bond	20000	1,000	<b>200.00</b>	—	—
<b>In Debentures - Quoted, fully paid up</b>	<b>No. of Debentures</b>			<b>No. of Debentures</b>	
1) Deutsche Investments India Pvt Ltd SR-GE 0122 BR NCD 15April14	—	100,000	—	250	250.00
<b>In Debentures - Unquoted, fully paid up</b>					
1) Mantri Mansion Private Limited - 18 NCD 17 June 2014* Note (*) : (NCD refers to Non Convertible Debentures.)	—	5,000,000	—	2	100.00
<b>In Others</b>					
1) Kotak Alternate Opportunities (India) Fund	—	—	<b>284.20</b>	—	337.62
2) Kotak India Real Estate Fund - IV	18523.13	1,000	<b>185.23</b>	19448.50	194.49
3) Kshitij Venture Capital Fund (Previous year face value 670)	30000.00	385	<b>115.50</b>	30000.00	201.00
<b>TOTAL</b>	—	—	<b>2,502.98</b>	—	<b>2,753.10</b>
Aggregate amount of quoted investments	—	—	<b>949.68</b>	—	951.63
Aggregate market value of listed and quoted investments	—	—	<b>956.31</b>	—	1,026.24
Aggregate amount of unquoted investments	—	—	<b>1,553.30</b>	—	1,801.47

**10 LONG - TERM LOANS & ADVANCES :**

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>Security deposits</b>		
Secured, considered good	—	—
Unsecured, considered good	22.81	22.81
Doubtful	—	—
<b>TOTAL</b>	<b>22.81</b>	<b>22.81</b>

**11 CURRENT INVESTMENTS :**

(₹ in Lakhs)

Particulars	Number	Face Value	As at 31.03.2014	Number	As at 31.03.2013
<b>In Units of Mutual Fund - Fixed Maturity Plan - Quoted</b>	<b>No. of Units</b>			<b>No. of Units</b>	
1) Birla Sun Life Fixed Term Plan Series FD-Growth	2762498.000	10	—	2762498.000	276.25
2) Birla Sun Life Fixed Term Plan Series FL-Growth	500000.000	10	—	500000.000	50.00
3) Birla Sun Life Fixed Term Plan Series KQ (368 Days)- Growth-Regular	3000000.000	10	300.00	—	—
4) HDFC FMP 372D July 2012 (1) - Growth	—	10	—	1000000.000	100.00
5) ICICI Prudential FMP Series 68 - 369 D Plan K Regular Plan - Cumulative	12300000.000	10	1,230.00	—	—
6) Reliance Fixed Horizon Fund - XXII - Series 7- Growth Plan	—	10	—	7000000.000	700.00
7) UTI-Fixed Income Interval Fund-I-Annual Interval Plan-Retail Option-Growth	1522839.548	10	250.00	—	—
8) UTI Fixed Term Income Fund Series XV - VIII (368 Days)-Growth Plan	1500000.000	10	150.00	—	—
<b>In Units of Mutual Fund - Unquoted</b>					
1) Birla Sunlife Cash Plus - Growth - Regular Plan (***)	415692.461	10	819.70	—	—
2) Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan (***)	2526145.607	10	500.00	5405009.402	1,044.00
3) Birla Sun Life Income Plus - Growth		10	—	203800.471	100.00
4) Birla Sun Life Saving Fund - Growth - Regular Plan (***)	186266.538	10	450.00	—	—
5) DWS Insta Cash Plus Fund - Super Institutional Plan - Growth (***)	401115.210	10	644.20	—	—
6) DWS Medium Term Income Fund - Direct Plan - Growth	10000.000	10	1.00	—	—
7) DWS Short Maturity Fund Regular Plan - Annual Bonus (***)	2207743.644	10	—	—	—
8) DWS Treasury Fund - Investment - Regular Plan - Growth	—	10	—	4649432.769	600.00
9) HDFC High Interest Fund - Short Term Plan - Growth	—	10	—	656541.340	150.00
10) ICICI Prudential Flexible Income - Regular Plan - Growth (***)	800654.947	10	1,815.70	331309.830	725.00
11) ICICI Prudential Liquid - Regular Plan - Growth (***)	385501.542	10	698.81	—	—



(₹ in Lakhs)					
Particulars	Number	Face Value	As at 31.03.2014	Number	As at 31.03.2013
12) ICICI Prudential Short Term - Regular Plan - Growth Option	—	10	—	6064388.355	1,430.00
13) IDFC Money Manager Fund- Treasury Plan - Growth - Regular Plan (***)	1783646.37	10	<b>352.34</b>	—	—
14) IDFC Super Saver Income Fund - Short Term Plan - Growth	—	10	—	1386596.513	331.00
15) JM Money Manager Fund - Super Plus Plan - Bonus Option	1577287.066	10	—	—	—
16) Kotak Bond Scheme Plan A Growth	—	10	—	308011.692	100.00
17) L & T Cash Fund Growth	7884.834	1,000	—	—	—
18) Motilal Oswal Most 10 Year Gilt Fund - Growth	—	10	—	500000.000	50.00
19) Reliance Income Fund - Growth Plan - Bonus Option	—	10	—	4317206.534	62.93
20) Sundaram Flexi Fund Short Term Plan Bonus	1006618.439	10	—	—	—
21) Templeton India Cash Management Account - Growth Plan	237052.908	10	<b>47.93</b>	3197443.007	609.07
22) Templeton India Low Duration Fund - Growth	—	10	—	7748096.000	970.00
23) Templeton India Short Term Income Retail Plan - Growth	—	1,000	—	24929.237	541.88
24) Templeton India Treasury Management Account Super Institutional Plan Growth (***)	2278.340	1,000	<b>41.80</b>	—	—
<b>In Debentures - Unquoted, fully paid up</b>	<b>No. of Debentures</b>			<b>No. of Debentures</b>	
1) Zero Coupon NCD Series 4 Manappuram Finance Limited*	—	1,000,000	—	22	192.38
2) Mantri Mansion Private Limited - 18 NCD 17 June 2014*	2	5,000,000	<b>33.33</b>	—	—
Note (*) : (NCD refers to Non Convertible Debentures.)					
<b>TOTAL</b>	—		<b>7,334.82</b>		<b>8,032.51</b>
Aggregate amount of quoted investments	—		<b>1,930.00</b>		1,126.25
Aggregate market value of quoted investments	—		<b>2,041.59</b>		8,499.03
Aggregate amount of unquoted investments	—		<b>5,404.82</b>		6,906.26

(\*\*\*) The following Mutual Fund units has been earmarked against the secured loan taken from bank :

Particulars	Number of Units
Birla Sun Life Cash Plus - Growth - Regular Plan	352152.825
Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	2526145.607
Birla Sun Life Savings Fund - Growth - Regular Plan	186266.528
DWS Insta Cash Plus Fund - Super Institutional Plan - Growth	401115.210
DWS Short Maturity Fund Regular Plan - Annual Bonus	2207743.644
ICICI Prudential Flexible Income - Regular Plan - Growth	537293.105
ICICI Prudential Liquid - Regular Plan - Growth	385501.542
IDFC Money Manager Fund - Treasury Plan - Growth - (Regular Plan)	1783646.370
Templeton India Treasury Management Account Super Institutional Plan-Growth	2278.340

**12 INVENTORIES :**

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
i) Raw Materials	3,076.25	2,672.14
ii) Stock in Process	148.14	97.92
iii) Finished Goods	339.85	580.20
iv) Stock of Consumable Stores & Spare parts (at cost)	13.97	14.71
	<u>3,578.22</u>	<u>3,364.98</u>
<b>TOTAL</b>	<u><u>3,578.22</u></u>	<u><u>3,364.98</u></u>

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)

Outstanding for a period exceeding six months from due date

i) Considered good	14.82	84.90
ii) Considered doubtful	—	—
Other Debts		
i) Considered good	7,721.16	6,891.11
ii) Considered doubtful	—	—
	<u>7,735.98</u>	<u>6,976.01</u>
<b>TOTAL</b>	<u><u>7,735.98</u></u>	<u><u>6,976.01</u></u>

**14 CASH & BANK BALANCE :**

Cash On Hand	27.48	18.33
Balance with Banks in		
- Current Account	53.99	930.14
- EEFC Account	150.43	319.99
- Fixed Deposit with Banks	0.85	1.66
	<u>232.75</u>	<u>1,270.12</u>
<b>TOTAL</b>	<u><u>232.75</u></u>	<u><u>1,270.12</u></u>

Balance in current account includes earmarked balance ₹ 20.75 lakh (previous year ₹ 24.90 Lakh).

**15 SHORT TERM LOANS & ADVANCES :**

i) Prepaid Expenses	10.98	6.98
ii) Balances with government authorities :		
Vat Credit Receivable	116.94	77.24
iii) Inter Corporate Deposits	225.00	155.00
iv) Other Loans and Advances :		
Unsecured, considered good	540.80	274.94
Unsecured, considered good for Capital Items	—	37.61
v) Advance Tax (Net of Provision for Taxes)	27.61	20.41
<b>TOTAL</b>	<u><u>921.33</u></u>	<u><u>572.18</u></u>

**16 REVENUE FROM OPERATIONS :**

(₹ in Lakhs)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>Operating Income :</b>		
a) Manufactured goods	11,802.84	9,104.86
b) Traded goods	726.00	641.13
	12,528.84	9,745.99
Less : Vat	1.79	0.21
	12,527.05	9,745.77
<b>TOTAL</b>	<b>12,527.05</b>	<b>9,745.77</b>

**16.01 Sale of products comprises :**

**a) Manufactured goods**

i) Sales of gold Jewellery	11,682.43	8,877.45
ii) Sales of Silver Jewellery	120.29	227.41
iii) Sales of Other Misc. Products	0.12	—
	11,802.84	9,104.86

**b) Traded goods**

i) Sales of Cut & Polished Diamond	725.84	640.81
ii) Sales of Colour stones	0.16	0.32
	726.00	641.13

**17 OTHER INCOME :**

a) Interest received	142.42	84.94
b) Bad Debts Recovered	—	81.32
c) Dividend on Shares and Units of Mutual Funds	33.13	50.00
d) Commission received	27.87	19.89
e) Debit / Credit Balance written off	0.05	—
f) Profit on sale of Non Current Investments (Net)	87.72	74.48
g) Profit on sale of Current Investments (Net)	158.19	136.17
h) Profit on sale of fixed assets	0.49	—
i) Net gain on foreign currency transaction and translation	167.72	—
j) Miscellaneous Income	20.48	4.21
k) Sale of Scrap	—	0.34
<b>TOTAL</b>	<b>638.07</b>	<b>451.35</b>

**18 RAW MATERIALS CONSUMED**

Opening Stock	2,672.14	2,089.22
Add: Purchases		
a) Gold	2,542.68	2,580.27
b) Cut & Polished Diamonds	7,264.28	5,142.31
c) Platinum	0.20	0.12
d) Gold Findings	62.14	24.82
e) Alloy	14.41	16.03
f) Colour Stone	0.36	2.10
g) Silver Models	0.98	4.30
h) Silver Findings	0.25	4.78
i) Trade Designs	—	—
	12,557.44	9,863.94
Less : Closing Stock	3,076.25	2,672.14
<b>TOTAL</b>	<b>9,481.19</b>	<b>7,191.80</b>

**18 RAW MATERIALS CONSUMED**

(₹ in Lakhs)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
18.01 Raw Materials Consumed Comprise :		
a) Gold	2,561.50	2,501.28
b) Cut & Polished Diamonds	6,839.08	4,597.18
c) Platinum	0.01	0.11
d) Gold Findings	58.93	25.30
e) Alloy	10.42	16.30
f) Colour Stone	0.88	16.66
g) Silver Models	0.01	15.81
h) Silver Findings	0.28	4.75
i) Trade Designs	10.08	14.42

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	Amount in ₹		Percentage	
	2013-14	2012-13	2013-14	2012-13
Raw Materials				
a) Imported	3,661.76	3,045.85	38.62%	42.35%
b) Indigenous	5,819.42	4,145.95	61.38%	57.65%

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

**Inventories at the beginning of the year**

a) Finished Goods	580.20	566.43
b) Stock in Process	97.92	117.41
	<b>678.13</b>	<b>683.83</b>

**Inventories at the end of the year**

a) Finished Goods	339.85	580.20
b) Stock in Process	148.14	97.92
	<b>488.00</b>	<b>678.13</b>

**TOTAL**

**190.13** **5.71**

**20 EMPLOYEE BENEFITS EXPENSES :**

(₹ in lakhs)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
a) Salaries, Wages, Bonus & Ex-gratia	176.68	144.58
b) Contribution to E.S.I.C.	1.11	1.06
c) Contribution to Provident Fund	1.90	1.81
d) Contribution to Group Gratuity Scheme	2.21	(0.25)
e) Workmen & Staff Welfare expenses	11.33	9.27
<b>TOTAL</b>	<b>193.24</b>	<b>156.48</b>

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 ₹ 1.90 lakhs (Previous year ₹ 1.81 lakhs), ESIC and Labour Welfare Fund includes ₹ 1.11 lakhs (Previous year ₹ 1.06 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		Leave Encashment	
	Funded 31.03.2014	Funded 31.03.2013	Non Funded 31.03.2014	Non Funded 31.03.2013
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>				
Present Value of obligation as at the beginning of the year	2.96	2.91	1.16	2.01
Current service cost	9.34	1.03	1.23	1.48
Interest cost	0.27	0.23	0.01	0.11
Actuarial (gain) / loss	(7.07)	(1.21)	7.66	(0.87)
Benefits paid	—	—	(2.11)	(1.56)
Present Value of obligation as at the end of the year	5.50	2.96	7.97	1.16
<b>Change in Plan Assets</b>				
Plan assets at period beginning, at fair value	4.58	4.20	—	—
Expected return on plan assets	0.40	0.34	—	—
Actuarial (gain) / loss	0.77	0.04	—	—
Contributions	0.72	—	2.11	1.56
Benefits paid	—	—	(2.11)	(1.56)
Plan assets at period end 2014, at fair value	6.47	4.58	—	—
<b>Fair Value of Plan Assets</b>				
Fair Value of plan assets at the beginning of the year	4.58	4.20	—	—
Actual return on plan assets	0.41	0.38	—	—
Contributions	0.72	—	—	2.35
Benefits paid	—	—	(2.11)	(1.56)
Fair Value of plan assets at the end of the year	5.72	4.58	—	—
Funded status	0.21	1.62	7.97	(1.16)
Excess of Actual over estimated return	NIL	NIL	—	—
<b>The amounts to be recognized in the Balance Sheet and statements of Profit and Loss</b>				
Present value of obligations as at the end of year	5.50	2.96	—	—
Fair value of plan assets as at the end of the year	5.72	4.58	—	—
Funded status	0.21	1.62	(7.97)	(1.16)
Net asset/(liability) recognized in Balance Sheet	0.21	1.62	(7.97)	(1.16)

Assumptions	(₹ in Lakhs)			
	Gratuity		Leave Encashment	
	Funded 31.03.2013	Funded 31.03.2012	Non Funded 31.03.2013	Non Funded 31.03.2012
<b>Expenses for the year</b>				
Current service cost	9.34	1.03	1.23	1.48
Interest cost on benefit obligation	0.27	0.23	0.01	0.11
Expected return on plan assets	0.40	(0.34)	—	—
Net actuarial (gain)/loss recognised in the year	(7.08)	(1.26)	7.66	(0.87)
Total expenses recognised in the P & L A/c	2.13	(0.33)	8.91	0.72

Assumptions	Gratuity		Leave Encashment	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Discount Rate	8.05%	8.05%	9.16%	8.05%
Employee Turnover	5.00%	5.00%	5.00%	2.00%
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 :

Particulars	(₹ in Lakhs)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
a) Interest on Bank Loan	80.05	65.94
b) Stamp Duty paid for availing loan	2.00	5.03
<b>TOTAL</b>	<b>82.05</b>	<b>70.97</b>



**22 OTHER EXPENSES :**

(₹ in Lakhs)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Stores & Spares	30.51	25.00
Power & Water	67.43	54.72
Repairs & Maintenance (Building)	8.10	1.75
Machinery & Electrical Repairs	9.22	2.92
Insurance (Building)	0.43	0.63
Other Manufacturing Expenses	230.48	180.91
Net loss on foreign currency transaction and translation	—	94.24
Insurance charges	1.98	1.46
Rent, Rates & Taxes	13.71	11.85
Repairs & Maintenance others	22.74	10.02
Commission on Sales	136.80	94.13
Advertisement	1.19	1.23
Travelling and Conveyance	35.55	28.12
Bank charges	17.59	20.78
Telephone charges	8.30	8.96
Printing & Stationery	7.77	7.45
Auditors' Remuneration	2.50	2.50
Donation	0.27	1.78
Vehicle expenses	12.77	13.82
Portfolio Management fees	—	0.13
Security Transaction Tax	—	0.56
Revaluation Loss on Investments	8.26	19.80
ECGC Premium	6.78	10.69
Exhibition Expenses	0.34	6.38
Discount to Customers	194.98	104.14
General Expenses	221.26	243.67
<b>TOTAL</b>	<b>1,038.96</b>	<b>947.62</b>

**22.01 Consumable Stores & Spares :**

(₹ in Lakhs)

Particulars	Amount in ₹		Percentage	
	2013-14	2012-13	2013-14	2012-13
a) Imported	15.96	10.85	52.32%	43.40%
b) Indigenous	14.55	14.15	47.68%	56.60%

**23 EXCEPTIONAL ITEMS :**

(₹ in Lakhs)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Profit on Sale of Office Premises	—	434.44
Less : Loss on sale of stake in subsidiary	—	254.11
<b>TOTAL</b>	<b>—</b>	<b>180.33</b>

**24 CONTINGENT LIABILITIES NOT PROVIDED FOR :**

- a) The Company has outstanding performance guarantee of ₹1591.50 lakhs as on the Balance Sheet date, executed in favour of Deputy Commissioner of Customs (Previous Year ₹1591.50lakhs).
- 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 ₹ 3250.00 lakhs (Previous year ₹3250.00 lakhs) favouring The Hongkong and Shanghai Banking Corporation Limited Mumbai for its wholly owned subsidiary, Goldiam Jewellery Limited, Mumbai.

**25** Estimated amount of contracts remaining to be executed on Capital Account and not provided for is ₹ nil lakhs (Previous year ₹267.42 Lakhs)

**26** 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 USA, Inc. Goldiam Jewels Limited (upto 28 <sup>th</sup> September, 2012)
ii)	Associates	Goldiam HK Limited
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		Key Management Personnel	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
i)	Payments to & provision for Directors' remuneration	—	—	—	—	56.42	46.66
ii)	Commission received	16.25	16.25	—	—	—	—
iii)	Guarantee given	—	750.00	—	—	—	—
iv)	Advance given	37.00	—	—	—	—	—
v)	Advance returned	37.00	—	—	—	—	—
vi)	Purchase of Investments	—	—	—	—	—	—
vii)	Purchase of Fixed Assets	—	—	—	—	—	—
viii)	Sale of assets	0.50	—	—	—	—	—
ix)	Sale of goods	8,636.91	3,290.04	0.12	—	—	—
x)	Purchase of goods	758.07	448.17	48.24	45.70	—	—
I)	Outstanding Guarantee given as on 31 <sup>st</sup> March, 2014	3,250.00	3,250.00	—	—	—	—
II)	Outstanding Receivables as on 31 <sup>st</sup> March, 2014	5,558.28	2,856.58	0.12	—	—	—
III)	Outstanding Payables as on 31 <sup>st</sup> March, 2014	228.82	44.28	0.46	0.46	20.42	10.12

c) Disclosure in respect of Transactions with related parties during the year :										(₹ in Lakhs)
Sr. No.	Nature of Transaction	Subsidiaries				Key Management Personnel			Associates	
		Goldiam Jewellery Limited	Diagold Designs Limited	Goldiam Jewels Limited	Goldiam USA Inc.	Rashesh M. Bhansali				
i)	Payments to & provision for Directors' remuneration	—	—	—	—	56.42	(46.66)		Goldiam HK Limited	—
ii)	Commission received	16.25 (16.25)	—	—	—	—	—			—
iii)	Guarantee given	— (750.00)	—	—	—	—	—			—
iv)	Advance given	—	37.00	—	—	—	—			—
v)	Advance returned	—	37.00	—	—	—	—			—
vi)	Purchase of Investments	—	—	—	—	—	—			—
vii)	Purchase of fixed assets	—	—	—	—	—	—			—
viii)	Sale of assets	0.50	—	—	—	—	—			—
ix)	Sale of goods	366.95 (351.06)	— (0.06)	—	8,269.96 (2,938.92)	—	—			0.12
x)	Purchase of goods	—	0.03 (0.03)	—	758.04 (448.14)	—	—			48.24 (45.70)
I)	Outstanding Guarantee given as on 31 <sup>st</sup> March, 2014	3,250.00 (3,250.00)	—	—	—	—	—			—
II)	Outstanding Receivables as on 31 <sup>st</sup> March, 2014	90.99 (34.72)	0.06 (0.06)	—	5,467.23 (2,821.80)	—	—			0.12
III)	Outstanding Payables as on 31 <sup>st</sup> March, 2014	—	0.03	—	228.82 (44.28)	20.42 (10.12)	—			0.46 (0.46)

**27 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.

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

(₹ in Lakhs)		
PARTICULARS	As at 31.03.2014	As at 31.03.2013
<b>Receivables :</b>		
Goldiam HK Limited	0.12	—
Goldiam Jewellery Limited	90.99	34.72
Diagold Designs Limited	0.06	0.06
Goldiam USA, Inc.	5,467.23	2,821.80
<b>Payables :</b>		
Goldiam HK Limited	0.46	0.46
Goldiam Jewels Limited	—	—
Goldiam USA, Inc.	228.82	44.28
Diagold Designs Limited	0.03	—

**29 EARNING PER SHARE :**

PARTICULARS	2013-14	2012-13
Profit after Tax (₹ in lakhs)	999.63	849.15
No. of shares outstanding	24945996	24945996
Weighted Average no. of shares + potential shares outstanding	24945996	24945996
Earning per share (Basic) (₹)	4.01	3.40
Earning per share (Diluted) (₹)	4.01	3.40

**30 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 31.03.2014 (in percentage)	For the period ended 31.03.2013 (in percentage)
Goldiam HK Limited	Hong Kong	49.93%	49.93%

(₹ in Lakhs)		
Goldiam HK Limited	For the year ended 31.03.2014	For the period ended 31.03.2013
Proportionate Reserves and Surplus as at the beginning of the year	(15.15)	(49.66)
Proportionate Transfer to Reserves	—	—
Proportionate Surplus/(Deficit) in Profit and Loss Account (net of transfer to reserves, dividend etc.)	16.49	34.52
Proportionate Reserves and Surplus as at the end of the year	1.34	(15.15)

Name of the Company & Country of Incorporation	Percentage of Shareholding %	As on 31.03.2014		(₹ in Lakhs) For the year ended on 31.03.2014	
		Assets ₹	Liabilities ₹	Income ₹	Expenditure ₹
Goldiam HK Limited Hong Kong	49.93%	<b>942.80</b>	<b>505.49</b>	<b>1,380.03</b>	<b>1,359.86</b>
(Year Ended 31 <sup>st</sup> March, 2013)	(49.93%)	832.95	414.00	1,811.62	1,769.78

30.01 The above figures have been taken from audited accounts of Joint Venture as on 31<sup>st</sup> March, 2014 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.

**31 Details of payment made to the Managing Directors and Directors.**

PARTICULARS	MANAGING DIRECTORS	OTHER DIRECTORS	(₹ in Lakhs)	
			TOTAL 2013-14	TOTAL 2012-13
i) Salaries	<b>36.00</b>	—	<b>36.00</b>	36.00
ii) Perquisites	—	—	—	0.53
iii) Commission	<b>20.42</b>	—	<b>20.42</b>	10.12
iv) Sitting Fees	—	<b>1.65</b>	<b>1.65</b>	1.95
<b>TOTAL</b>	<b>56.42</b>	<b>1.65</b>	<b>58.07</b>	48.60

**32 VALUE OF IMPORTS ON C.I.F. BASIS :**

PARTICULARS	(₹ in Lakhs)	
	2013-14	2012-13
1 Raw Materials	<b>3,526.35</b>	3,642.49
2 Consumable Stores	<b>14.64</b>	10.73
3 Capital Goods	<b>0.56</b>	17.42

**33 EXPENDITURE IN FOREIGN CURRENCY :**

Foreign Travels	<b>8.67</b>	8.30
Other Expenses	<b>40.96</b>	20.12

**34 REMITTANCE IN FOREIGN EXCHANGE CURRENCY  
ON ACCOUNT OF DIVIDEND:**

Year to which Dividend relates	<b>2013-14</b>	2012-13
No. of Foreign Company	<b>1</b>	1
No. of shares on which remittances were made	<b>2700000</b>	2700000
Net Dividend (₹)	<b>13.50</b>	37.80

**35 EARNINGS IN FOREIGN EXCHANGE:**

F.O.B.Value of Exports	<b>11,765.80</b>	9,227.77
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**36 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.

- a) 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".

- b) 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 31.03.2014				
	JEWELLERY	INVESTMENTS ACTIVITY	OTHERS (Unallocated)	TOTAL
Segment Revenue	12,743.17	413.69	—	13,156.87
Segment Results	1,028.19	413.59	—	1,441.78
Less: unallocated expenses net of unallocated (income)	—	—	(41.43)	(41.43)
Interest expenses (Net)	—	—	—	82.05
Profit before tax	—	—	—	1,318.30
Depreciation and Amortisation	—	—	—	171.14
Non cash expenses other than Depreciation and Amortisation	—	—	—	—
Segment Assets	14,463.61	9,602.07	231.89	24,297.57
Segment Liabilities (excluding Shareholders' Funds)	6,436.14	—	552.42	6,988.55

(₹ in Lakhs)

Year to 31.03.2013				
	JEWELLERY	INVESTMENT ACTIVITY	OTHERS (Unallocated)	TOTAL
Segment Revenue	9,851.53	325.79	—	10,177.32
Segment Results	858.27	325.64	—	1,183.91
Less: unallocated expenses net of unallocated (income)	—	—	(15.75)	(15.75)
Interest expenses (Net)	—	—	—	70.97
Profit before tax	—	—	—	1,097.19
Depreciation and Amortisation	—	—	—	137.98
Non cash expenses other than Depreciation and Amortisation	—	—	—	—
Segment Assets	13,473.61	10,219.50	1,268.46	24,961.56
Segment Liabilities (excluding Shareholders' Funds)	7,941.30	—	360.65	8,301.95

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	2013-14	2012-13
<b>1. Segment Results :</b>		
Within India	44.10	24.08
Exports outside India	984.10	834.19
<b>Total Revenue</b>	<b>1,028.19</b>	<b>858.27</b>
<b>2. Segment Assets :</b>		
Within India	20.15	20.15
Exports outside India	14,443.46	13,453.45
<b>Total Assets</b>	<b>14,463.61</b>	<b>13,473.60</b>
<b>3. Segment Liabilities :</b>		
Within India	—	—
Exports outside India	6,436.14	7,941.30
<b>Total Liabilities</b>	<b>6,436.14</b>	<b>7,941.30</b>

**37** The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8<sup>th</sup> February, 2011 and 21<sup>st</sup> 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.

**38** Exceptional Items of previous financial year includes, profit on sale of the office premises of ₹ 434.34 lakhs and ₹ 254.11 loss on sale of entire stake of 2985000 equity shares of M/s. Goldiam Jewels Limited one of its subsidiary on 28<sup>th</sup> September, 2012.

**39 FINANCIAL INSTRUMENTS / FORWARD CONTRACTS :**

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. The Company enters into forward contracts, where the counterparty is bank. The forward contracts are not used for trading or speculation purpose.

**39.01 Unhedged Foreign Currency exposure :**

PARTICULARS	CURRENCY	31.03.2014		31.03.2013	
		In Lakhs	₹ in Lakhs	In Lakhs	₹ in Lakhs
Outstanding Receivables & Loan	US \$	\$ 120.05	7,064.71	130.89	6,976.01
Outstanding creditors for goods and spares	US \$	\$ 51.26	3,110.31	41.59	2,225.61
Exchange Earner's Foreign Currency a/c with Banks	US \$	\$ 2.56	150.43	5.99	319.99
Outstanding creditors for spares	€	€0.000632	0.06	0.001	0.08
Packing credit in foreign currency with Bank	US \$	\$ 28.62	1,746.98	94.55	5,195.25
Post shipment credit in foreign currency with Bank	US \$	\$ 19.47	1,145.87	1.81	99.62

**40** Salaries & wages include Directors' remuneration of ₹ 56.42 lakhs (Previous Year ₹ 46.65 lakhs)

**REMUNERATION TO AUDITORS:**

(₹ in Lakhs)

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
As Auditors	<b>2.35</b>	2.35
Tax Audit Fees	<b>0.15</b>	0.15
<b>TOTAL</b>	<b>2.50</b>	2.50

**41** 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.

**42** 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

ICAI firm Registration No.115187W

For and on behalf of the Board

**Pulindra M. Patel**

Proprietor

Membership No. 048991

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

**Anita Kate**

Company Secretary

**Manhar R. Bhansali**

Chairman & Mg. Director

DIN 00058699

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

**Rashesh M. Bhansali**

Vice Chairman & Mg. Director

DIN 00057931

## **INDEPENDENT AUDITORS' REPORT**

To The Board of Directors of **Goldiam International Limited**

### **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

1. We have audited the accompanying consolidated financial statements of **GOLDIAM INTERNATIONAL LTD** (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

2. Management is responsible for the preparation of these consolidated financial statements that give true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting standards notified under the Companies Act, 1956, read with general Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the

accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
  - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
  - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### **Other Matters**

6. The financial statements of one of the subsidiary and a Joint Venture with total asset (net) ₹1082.62 lakhs as at 31<sup>st</sup> March, 2014 and total net profit of ₹138.43 lakhs and cash flow amounting to ₹143.20 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.
7. 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.
8. 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.

**For Pulindra Patel & Co.**

Chartered Accountants

FRN No. 115187W

**Pulindra Patel**

Proprietor

Membership No. 48991

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

# CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

	Notes No.	As at 31.03.2014 ₹	(₹ in Lakh) As at 31.03.2013 ₹
<b>I) EQUITY &amp; LIABILITIES :</b>			
<b>1) SHAREHOLDERS' FUNDS :</b>			
(a) SHARE CAPITAL	1	2,494.60	2,494.60
(b) RESERVES AND SURPLUS	2	21,631.22	19,878.61
(c) MONEY RECEIVED AGAINST SHARE WARRANTS		—	—
		<b>24,125.82</b>	<b>22,373.21</b>
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		<b>—</b>	<b>—</b>
<b>2) MINORITY INTEREST</b>		<b>1,393.86</b>	<b>1,377.03</b>
<b>3) NON-CURRENT LIABILITIES</b>			
(a) LONG - TERM BORROWINGS		—	—
(b) DEFERRED TAX LIABILITY (NET)	3	107.71	109.81
(c) OTHER LONG TERM LIABILITIES		—	—
(d) LONG - TERM PROVISIONS		—	—
		<b>107.71</b>	<b>109.81</b>
<b>4) CURRENT LIABILITIES</b>			
(a) SHORT TERM BORROWINGS	4	7,752.16	9,963.03
(b) TRADE PAYABLES	5	7,576.77	6,384.73
(c) OTHER CURRENT LIABILITIES	6	513.93	508.98
(d) SHORT - TERM PROVISIONS	7	209.56	296.82
		<b>16,052.41</b>	<b>17,153.55</b>
<b>TOTAL</b>		<b>41,679.81</b>	<b>41,013.60</b>
<b>II) ASSETS :</b>			
<b>1) NON - CURRENT ASSETS</b>			
(a) FIXED ASSETS			
(i) TANGIBLE ASSETS	8	2,627.77	2,646.24
(ii) INTANGIBLE ASSETS		4.79	1.62
(iii) CAPITAL WORK - IN - PROGRESS		33.01	14.86
(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT		—	—
(b) NON - CURRENT INVESTMENT	9	1,658.97	1,934.18
(c) DEFERRED TAX ASSETS (NET)	3	17.64	21.76
(d) LONG - TERM LOANS & ADVANCES	10	119.26	107.70
(e) OTHER NON - CURRENT ASSETS	11	—	2.92
		<b>4,461.44</b>	<b>4,729.27</b>
<b>2) CURRENT ASSETS</b>			
(a) CURRENT INVESTMENT	12	9,229.94	10,024.89
(b) INVENTORIES	13	13,617.54	11,004.38
(c) TRADE RECEIVABLES	14	12,308.64	12,471.81
(d) CASH & BANK BALANCE	15	721.03	1,892.06
(e) SHORT - TERM LOANS & ADVANCES	16	1,341.21	891.20
(f) OTHER CURRENT ASSETS		—	—
		<b>37,218.37</b>	<b>36,284.34</b>
<b>TOTAL</b>		<b>41,679.81</b>	<b>41,013.60</b>

## SIGNIFICANT ACCOUNTING POLICIES NOTES TO ACCOUNTS

1 to 39

The notes referred to above form an integral part of these consolidated financial statements

As per our report of even date attached

**For Pulindra Patel & Co.**

For and on behalf of the Board

Chartered Accountants  
ICAI firm Registration No. 115187W

**Pulindra M. Patel**  
Proprietor  
Membership No. 48991

**Anita Kate**  
Company Secretary

**Manhar R. Bhansali**  
Chairman & Mg. Director  
DIN 00058699

**Rashesh M. Bhansali**  
Vice Chairman & Mg. Director  
DIN 00057931

Place : Mumbai  
Date : 27<sup>th</sup> May, 2014

Place : Mumbai  
Date : 27<sup>th</sup> May, 2014

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

	Notes No.	Current Year 31.03.2014	(₹ in Lakh) Previous Year 31.03.2013
I) REVENUE FROM OPERATIONS	17	31,383.96	26,566.65
II) OTHER INCOME	18	591.44	519.92
III) TOTAL REVENUE (I+II)		31,975.40	27,086.56
IV) EXPENSES :-			
COST OF MATERIALS CONSUMED	19	24,667.43	20,648.86
PURCHASES OF STOCK-IN-TRADE		2,823.20	1,660.65
CHANGES IN INVENTORIES OF FINISHED GOODS			
WORK-IN-PROGRESS AND STOCK-IN-TRADE	20	(2,022.98)	(1,008.80)
EMPLOYEE BENEFITS EXPENSES	21	658.74	513.87
FINANCE COSTS	22	339.04	324.61
DEPRECIATION / AMORTISATION	8	242.93	205.26
OTHER EXPENSES	23	2,866.06	2,573.58
TOTAL EXPENSES		29,574.43	24,918.03
V) PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		2,400.97	2,168.53
VI) EXCEPTIONAL ITEMS	24	—	434.44
VII) PROFIT BEFORE TAX (V-VI)		2,400.97	2,602.98
VIII) TAX EXPENSES :			
(1) CURRENT TAX		649.75	515.96
(2) DEFERRED TAX		0.67	174.01
IX) PROFIT/(LOSS) FOR THE PERIOD FORM CONTINUING OPERATIONS		1,750.56	1,913.00
SHARE OF PROFIT/(LOSS) OF MINORITY INTEREST		43.51	46.87
PROFIT / (LOSS) ON DISPOSAL OF SUBSIDIARY		—	(0.17)
X) PROFIT/(LOSS) FOR THE PERIOD		1,707.04	1,865.96
XI) EARNINGS PER EQUITY SHARE (Face Value RS.10/-) :			
BASIC		6.84	7.48
DILUTED		6.84	7.48

### SIGNIFICANT ACCOUNTING POLICIES

#### NOTES TO ACCOUNTS

1 to 39

The notes referred to above form an integral part of these consolidated financial statements

As per our report of even date attached

**For Pulindra Patel & Co.**

Chartered Accountants

ICAI firm Registration No. 115187W

For and on behalf of the Board

**Pulindra M. Patel**

Proprietor

Membership No. 48991

**Anita Kate**

Company Secretary

**Manhar R. Bhansali**

Chairman & Mg. Director

DIN 00058699

**Rashesh M. Bhansali**

Vice Chairman & Mg. Director

DIN 00057931

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

PARTICULARS	2013-14	2012-13
		(₹ in Lakh)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	2,400.97	2,602.98
ADJUSTMENT FOR :		
Depreciation (Notes 8)	242.93	205.26
(Profit)/Loss on sale of Investment (Net)	(337.45)	(236.16)
Revaluation (Profit)/Loss on Investment	(39.12)	19.80
(Profit)/Loss on sale of Assets	0.94	(437.34)
Dividend received	(2.54)	(30.49)
Miscellaneous expenditure written off	2.92	1.23
Share of Minority Interest	(26.68)	(45.58)
Adjustment for Change of Holding & Translation Reserves	52.37	36.36
Interest Income	(167.77)	(96.89)
Finance Cost	339.04	324.61
	<b>64.66</b>	(259.20)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>2,465.63</b>	2,343.78
ADJUSTMENT FOR :		
Trade and other Receivable	(282.75)	(1,982.00)
Inventories	(2,613.16)	(1,261.72)
Trade Payable	1,146.89	1,187.21
	<b>(1,749.02)</b>	(2,056.51)
CASH GENERATED FROM OPERATIONS	<b>716.61</b>	287.27
Direct Tax Paid (net)	(586.31)	(454.42)
	<b>(586.31)</b>	(454.42)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	<b>130.30</b>	(167.15)
NET CASH FROM OPERATING ACTIVITIES	<b>130.30</b>	(167.15)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(253.87)	(1,514.87)
Sale of Fixed Assets	7.20	763.48
Purchase of Investments	(20,408.91)	(17,863.38)
Sale of Investments	21,855.63	15,621.81
Sale of Investments in Subsidiary	—	183.58
Interest received	167.77	96.89
Dividend received	2.54	30.49
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	<b>1,370.36</b>	(2,681.99)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayment) of Long Term Borrowing	(2,210.87)	3,019.32
Finance Cost	(339.04)	(324.61)
Dividend paid	(124.73)	(415.63)
NET CASH USED IN FINANCING ACTIVITIES	<b>(2,674.65)</b>	2,279.08
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<b>(1,173.98)</b>	(570.05)
CASH AND CASH EQUIVALENTS AS AT 01.04.2013	<b>1,885.04</b>	2,455.12
CASH AND CASH EQUIVALENTS AS AT 31.03.2014	<b>711.06</b>	1,885.04

**Notes :**

- 1) Figures in brackets represents Cash Outflows
- 2) Direct taxes paid are treated as arising from operating activities and are not bifurcated between Investing and financing activities.
- 3) The Cash and cash equivalents figures are net off overdrawn balance with bank reflected in other current liability (Note no.-6).
- 4) The cash flow statement has been prepared under the "Indirect Method" as set out in "Accounting Standard -3 Cash Flow Statement" as prescribed in the Companies ( Accounting Standards) Rules, 2006.

As per our report of even date.

**For Pulindra Patel & Co.**

Chartered Accountants

ICAI firm Registration No. 115187W

**Pulindra M. Patel**

Proprietor

Membership No. 048991

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

For and on behalf of the Board

**Anita Kate**  
Company Secretary

**Manhar R. Bhansali**  
Chairman & Mg. Director  
DIN 00058699

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

**Rashesh M. Bhansali**  
Vice Chairman & Mg. Director  
DIN 00057931

## **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. 31<sup>st</sup> March, 2014.

#### **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 Foreign Currency 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 :
  - (1) The amount of equity attributable to minorities at the date on which accounts are made.
  - (2) 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 :**

###### **I) 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 31<sup>st</sup> 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.

###### **II) 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 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 :**

- i) 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.
- ii) After Impairment, depreciation is provided on the revised carrying amount of the assets.

##### **(iv) INVENTORIES :**

- i) Raw materials are valued at cost or market 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 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 :**

- 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 is made, if the diminution is other than temporary.
- ii) Current investments are valued at cost or market value 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.

**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) Short-term employee benefits :**

All employee benefits payable within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia.

**b) 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.

**c) 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) BORROWING COST :**

Financial Income and borrowing costs include interest income on bank deposits and interest expense on loans recognised when the right to receive the payment is established.

**xi) 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.

**xii) 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.

**xiii) 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.

## CONSOLIDATED NOTES TO BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2014

### 1 SHARE CAPITAL :

(₹ in Lakh)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>AUTHORISED CAPITAL</b>		
31000000 Equity Shares of ₹10/- each		
(Previous year 31000000 Equity Shares of ₹10/- each)	3,100.00	3,100.00
	<b>3,100.00</b>	<b>3,100.00</b>
<b>Issued capital</b>		
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
	<b>2,494.60</b>	<b>2,494.60</b>
<b>Subscribed and Paid up Capital</b>		
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
<b>TOTAL</b>	<b>2,494.60</b>	<b>2,494.60</b>

- 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 Bal.	Closing Bal.
Equity shares with voting rights		
Year ended 31 March, 2014		
- Number of shares	24945996	24945996
- Amount (₹)	2,494.60	2,494.60
Year ended 31 March, 2013		
- Number of shares	24945996	24945996
- Amount (₹)	2,494.60	2,494.60
Equity shares with differential voting rights		
Year ended 31 March, 2014	—	—
Year ended 31 March, 2013	—	—

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	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	5900000	23.65%	5703638	22.86%
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 31.03.2014	As at 31.03.2013
<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	—	—
<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 Lakh)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>1. Capital Redemption Reserve</b>		
As per last Balance Sheet	208.68	208.68
<b>2. Capital Reserve</b>		
As per last Balance Sheet	547.91	547.91
Add : on consolidation (Net)	—	—
	547.91	547.91
<b>3. General Reserve</b>		
As per last Balance Sheet	5,030.38	4,980.38
Add : Transfer from P & L A/C	25.00	50.00
	5,055.38	5,030.38
<b>4. Surplus in the Statement of Profit &amp; Loss Account</b>		
As per last Balance Sheet	13,973.36	12,603.15
Add : Net Profit after tax transferred from Statement of Profit and Loss	1,707.04	1,865.96
Amount available for appropriation	15,680.40	14,469.11
Less : Appropriations		—
Transferred to General Reserve	25.00	50.00
Interim Dividend	—	249.46
Proposed Dividend	—	124.73
Tax on Interim / Proposed Dividend	6.80	71.55
Balance in profit and loss account	15,648.60	13,973.36
<b>5. Foreign Currency Translation Reserves</b>	170.64	118.27
<b>TOTAL</b>	<b>21,631.22</b>	<b>19,878.61</b>

**3 DEFERRED TAXES :**

Deferred Tax Liabilities :

i) relating to Depreciation, amortisation and Impairment	107.71	109.81
	107.71	109.81

Less : Deferred Tax Assets :

i) relating to Employee benefits & provision thereof	4.84	8.07
ii) relating to Depreciation, amortisation and Impairment	12.79	13.69
	17.64	21.76

**TOTAL**

	90.08	88.05
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**4 SHORT TERM BORROWINGS :**

**a) Secured Loans :**

**Working Capital Loans**

**From Bank :**

a) Foreign Currency Loans	6,867.58	8,667.23
b) Rupee Loans	864.17	1,275.40

**4.1 Working Capital Loans :**

- a) ₹ 411.05 lakh loan taken from Yes Bank Limited is secured by pari passu charge on present & future Inventories, Receivables of Goldiam International Limited.

(₹ in Lakh)

Particulars	As at 31.03.2014	As at 31.03.2013
b) ₹1,992.29 lakh Loan Taken from Citi Bank Secured by Pledge in investments in Fixed Monthly Plans (FMP) & Other Debt Mutual Fund.		
Particulars	Unit	
Birla Sun Life Cash Plus - Growth - Regular Plan	352152.83	
DWS Insta Cash Plus Fund - Super Institutional Plan - Growth	401115.21	
DWS Short Maturity Fund Regular Plan - Annual Bonus	2207743.64	
IDFC Money Manager Fund-Treasury Plan-Growth-(Regular Plan)	1783646.37	
ICICI Prudential Liquid - Regular Plan - Growth	385501.54	
Templeton India Treasury Management Account Super Institutional Plan-Growth	2278.34	
c) ₹ 489.51 lakh Loan taken from HBSC Bank Secured by Pledge in investments in Debt Mutual Fund.		
Particulars	Unit	
Birla Sun Life Savings Fund-Growth-Regular Plan	186266.53	
Birla Sun Life Dynamic Bond Fund-Retail-Growth-Regular Plan	2526145.61	
ICICI Prudential Flexible Income-Regular Plan-Growth	537293.11	
d) ₹2,494.95 lakh 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.		
e) ₹2,343.96 lakh 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**

Rupee Loan from Others	20.40	20.40
<b>TOTAL</b>	<b>7,752.16</b>	<b>9,963.03</b>

4.2 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	1.53% to 5.75%	April-14 to May-15
Post shipment credit in foreign currency	1.50% to 5.75%	April-14 to Sep-14
Pre-shipment credit in rupee	9.25% to 14.25%	April 14 to Sep 14
Post shipment credit in rupee	9.25% to 14.25%	April 14 to Sep 14

4.3 Cash Credit loan 14.75% Repaid during the year

**5 TRADE PAYABLES :**

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
i) Dues of Micro, Medium & Small enterprises (*)	51.29	41.42
ii) Others	7,525.48	6,343.31
	<b>7,576.77</b>	<b>6,384.73</b>
<b>TOTAL</b>	<b>7,576.77</b>	<b>6,384.73</b>

**6 OTHER CURRENT LIABILITIES :**

(₹ in Lakh)

Particulars	As at 31.03.2014	As at 31.03.2013
a) Statutory dues payable	75.88	24.17
b) Payables on Purchase of Fixed Assets :		
i) Dues of Micro, Medium & Small enterprises (*)	—	0.16
ii) Others	—	—
c) Accrued salaries and benefits :		
i) Salaries due to director	28.55	10.09
ii) Salaries due to others	—	—
d) Provisions for expenses	160.87	195.86
e) Gratuity obligations	14.45	11.36
f) Unclaimed dividend	20.75	24.90
g) Other payables :		
i) Dues of Micro, Medium & Small enterprises (*)	—	0.28
ii) Others	—	—
h) Security Deposit received	0.50	0.50
i) Overdrawn Balance with Bank	9.98	7.02
j) Advance received from clients	202.96	234.64
<b>TOTAL</b>	<b>513.93</b>	<b>508.98</b>

**(\*) 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.	51.29	41.86
(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 :**

i) Provision for Leave	14.74	3.34
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**b) Provision for others :**

i) Proposed Dividend	—	124.73
ii) Provision for Tax on Proposed Dividend	—	24.60
iii) Provisions for Income Tax	193.27	141.83
iv) Provision for Wealth Tax	1.55	2.32

**TOTAL**

<b>209.56</b>	<b>296.82</b>
<b>209.56</b>	<b>296.82</b>



8 FIXED ASSETS												(₹ in Lakhs)			
GROSS BLOCK												DEPRECIATION		NET BLOCK	
Sr. No.	Description	Cost as on 01.04.2013	Addition	Deduction	Cost as on 31.03.2014	As on 01.04.2013	For the Year	Deduction	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013				
A) TANGIBLE															
1	LAND	506.47	—	—	506.47	—	—	—	—	506.47	506.47				
2	FACTORY BUILDING	609.23	—	—	609.23	453.83	15.55	—	469.37	139.86	155.40				
3	OFFICE PREMISES	1,647.69	54.70	—	1,702.38	166.68	75.74	—	242.42	1,459.96	1,481.00				
4	FURNITURE & FIXTURE	414.95	72.19	21.38	465.77	370.82	33.57	21.44	382.95	82.82	44.14				
5	OFFICE EQUIPMENT	195.92	27.69	8.33	215.29	139.24	9.45	8.33	140.36	74.93	56.68				
6	PLANT & MACHINERY	944.23	41.61	1.40	984.44	753.94	45.63	—	799.57	184.86	190.29				
7	COMPUTERS	212.62	6.76	—	219.38	203.97	7.88	—	211.85	7.53	8.65				
8	VEHICLES	369.88	28.16	23.17	374.87	166.27	53.80	16.54	203.53	171.34	203.61				
TOTAL (A)		4,900.99	231.12	54.28	5,077.83	2,254.75	241.61	46.30	2,450.06	2,627.77	2,646.24				
B) INTANGIBLE															
1	COMPUTER SOFTWARE	13.54	4.59	0.11	18.03	11.92	1.32	—	13.24	4.79	1.62				
TOTAL (B)		13.54	4.59	0.11	18.03	11.92	1.32	—	13.24	4.79	1.62				
TOTAL (A+B)		4,914.53	235.71	54.39	5,095.86	2,266.67	242.93	46.30	2,463.30	2,632.56	2,647.86				
PREVIOUS YEAR		3,964.71	1,500.01	550.19	4,914.53	2,285.46	205.26	224.05	2,266.67	2,647.86					

Note: 1. Office Premises includes ₹ 0.05 Lakhs the value of share in a co-operative society.  
2. The Depreciation on furniture & fixture includes impairment loss of ₹ 9.30 Lakhs (Previous year ₹ Nil).

Note: 1. Office Premises includes ₹ 0.05 Lakhs the value of share in a co-operative society.  
2. The Depreciation on furniture & fixture includes impairment loss of ₹ 9.30 Lakhs (Previous year ₹ Nil).

9 NON - CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	Number	Face Value	As at 31.03.2014	Number	As at 31.03.2013
<b>(Long Term Investments)</b>	<b>No. of Shares</b>			<b>No. of Shares</b>	
<b>In Equity Shares - Unquoted, fully paid up</b>					
1) Sip Technologies Limited	1,891	10	0.19	1,891	0.19
<b>OTHER THAN TRADE:</b>					
<b>In Equity Shares - Quoted, fully paid up</b>					
1) Classic Diamonds (I) Ltd	5	2	0.00	5	0.00
2) Reliable Ventures Ltd	50,000	10	7.75	50,000	5.70
3) S B & T International Ltd	1	10	0.00	1	0.00
4) Shrenuj & Co Ltd	5	2	0.00	5	0.00
5) Suashish Diamonds Ltd	1	10	0.00	1	0.00
6) Titan Industries Ltd	20	1	0.00	20	0.00
7) Winsome Diamonds And Jewellery Ltd **	1	10	0.00	1	0.00
** Name change of Suraj Diamonds & Jewellery Ltd					
<b>In Units of Mutual Fund - Fixed Maturity Plan Quoted, fully paid up</b>	<b>No. of Units</b>			<b>No. of Units</b>	
1) DSP BlackRock FMP Series 150 - 13 Month - Growth	1,810,000.000	10	181.00	—	—
2) IDFC Fixed Maturity Plan Thirteen Months Series 7 - Growth	—	10	—	2,199,990.000	220.00
3) IDFC Fixed Term Plan Series 79 Regular Plan - Growth (390 Days)	3,000,000.000	10	300.00	—	—
4) Reliance Fixed Horizon Fund XXI - Series 18 - Growth Plan	—	10	—	1,750,000.00	175.00
5) Reliance Fixed Horizon Fund XXIII - Series 5 - Growth Plan	—	10	—	750,829.95	75.08
6) Reliance Fixed Horizon Fund XXV - Series 31 - Growth Plan	1,000,000.000	10	100.00	—	—
7) Reliance Fixed Horizon Fund - XXV - Series 31 - Growth	500,000.000	10	50.00	—	—
<b>In Bond - Quoted, fully paid up</b>	<b>No. of bond</b>			<b>No. of bond</b>	
1) 8.20% Tax Free National Highways Authority of India 10 Years Bond	14,834	1,000	148.34	14,834	148.34
2) 8.10% Tax Free Housing and Urban Development Corporation Limited 10 Yrs Bond	8,676	1,000	86.76	22,676	226.76
3) 8.40% Tax Free Indian Railway Finance Corporation Ltd SR-92 15 Yrs Bond	20,000	1,000	200.00	—	—
<b>In Debentures - Quoted, fully paid up</b>	<b>No. of Debentures</b>			<b>No. of Debentures</b>	
1) Deutsche Investments India Pvt Ltd SR-GE 0122 BR NCD 15April14	—	100,000	—	250	250.00
<b>In Debentures - Unquoted, fully paid up</b>					
1) Mantri Mansion Private Limited - 18 NCD 17 June 2014				2	100.00
Note ( * ) : (NCD refers to Non Convertible Debentures.)					
<b>In Others</b>	<b>No. of Units</b>			<b>No. of Units</b>	
1) Kotak Alternate Opportunities (India) Fund	—	—	284.20	—	337.62
2) Kotak India Real Estate Fund - IV	18,523.130	1,000	185.23	19,448.500	194.49
3) Kshitij Venture Capital Fund (Previous year face value 670)	30,000	385	115.50	30,000	201.00
<b>TOTAL ₹</b>			<b>1,658.97</b>		<b>1,934.18</b>
Aggregate amount of quoted investments			<b>1,073.85</b>		<b>1,100.89</b>
Aggregate market value of quoted investments			<b>1,084.17</b>		<b>1,182.80</b>
Aggregate amount of unquoted investments			<b>585.12</b>		<b>833.29</b>

**10 LONG - TERM LOANS AND ADVANCES :**

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>(a) Security deposits</b>		
i) Unsecured, considered good	72.04	37.37
<b>(b) Other loans and advances</b>		
i) Unsecured, considered good	47.22	70.33
<b>TOTAL</b>	<b>119.26</b>	<b>107.70</b>

**11 OTHER NON CURRENT ASSETS :**

Preoperative and formation expenses	—	2.92
<b>TOTAL</b>	<b>—</b>	<b>2.92</b>

**12 CURRENT INVESTMENT**

(₹ in Lakhs)

Particulars	Number	Face Value	As at 31.03.2014	Number	As at 31.03.2013
<b>In Units of Mutual Fund - Fixed Maturity Plan - Quoted</b>	<b>No. of Shares</b>			<b>No. of Shares</b>	
1) Birla Sun Life Fixed Term Plan Series FD - Growth	2,762,498.000	10	—	2,762,498.000	276.25
2) Birla Sun Life Fixed Term Plan Series FL - Growth	500,000.000	10	—	500,000.000	50.00
3) Birla Sun Life Fixed Term Plan Series KQ (368 Days)- Growth-Regular	3,000,000.000	10	300.00	—	—
4) HDFC FMP 372D July 2012 (1) - Growth	—	10	—	1,000,000.000	100.00
5) HDFC FMP 370 D July 2013 (3) Series 26 - Regular - Growth	5,000,000.0000	10	500.00	—	—
6) ICICI Prudential FMP Series 68 - 369 D Plan K Regular Plan - Cumulative	12,300,000.000	10	1,230.00	—	—
7) ICICI Prudential FMP Series 73 - 369 Days Plan P Regular Plan - Cumulative	1,000,000.000	10	100.00	—	—
8) ICICI Prudential Interval Fund III Quarterly Interval - Regular Plan - Cumulative	2,216,262.000	10	300.00	—	—
9) Reliance Fixed Horizon Fund - XXII - Series 7 - Growth Plan	—	10	—	7,000,000.000	700.00
10) UTI-Fixed Income Interval Fund-I-Annual Interval Plan-Retail Option-Growth	1,522,839.548	10	250.00	—	—
11) UTI Fixed Term Income Fund Series XV - VIII (368 Days)-Growth Plan	1,500,000.000	10	150.00	—	—
12) Reliance Fixed Horizon Fund XXIII - Series 5 - Growth Plan	750,829.95	10	75.08	—	—
<b>In Units of Mutual Fund - Unquoted</b>					
1) Birla Sunlife Cash Plus - Growth - Regular Plan (***)	415,692.46	10	819.70	—	—
2) Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan (***)	2,526,145.607	10	500.00	7,621,014.931	1,444.00
3) Birla Sun Life Income Plus - Growth	—	10	—	203,800.471	100.00
4) Birla Sun Life Saving Fund - Growth - Regular Plan (***)	186,266.538	10	450.00	—	—
5) DWS Insta Cash Plus Fund - Super Institutional Plan - Growth (***)	401,115.210	10	644.20	—	—
6) DWS Medium Term Income Fund - Direct Plan - Growth	20,000.000	10	2.00	—	—
7) DWS Short Maturity Fund Regular Plan - Annual Bonus (***)	2,207,743.644	10	—	—	—
8) DWS Treasury Fund - Investment - Regular Plan - Growth	—	10	—	4,649,432.7690	600.00
9) HDFC High Interest Fund - Short Term Plan - Growth	—	10	—	656,541.340	150.00
10) ICICI Prudential Flexible Income - Regular Plan - Growth (***)	978,532.653	10	2,234.74	331,309.830	725.00
11) ICICI Prudential Liquid - Regular Plan - Growth (***)	385,501.542	10	698.81	—	—

(₹ in Lakhs)					
Particulars	No. of Shares	Face Value	As at 31.03.2014	No. of Shares	As at 31.03.2013
12) ICICI Prudential Short Term - Regular Plan - Growth Option	—	10	—	6,064,388.355	1,430.00
13) IDFC Money Manager Fund- Treasury Plan - Growth - Regular Plan (***)	1,783,646.370	10	352.34	—	—
14) IDFC Super Saver Income Fund - Medium Term Plan - Growth	486,229.967	10	100.00	—	—
15) IDFC Super Saver Income Fund - Short Term Plan - Growth	—	10	—	1,386,596.513	331.00
16) JM Money Manager Fund - Super Plus Plan - Bonus Option	1,577,287.066	10	—	—	—
17) Kotak Bond Scheme Plan A Growth	—	10	—	308,011.692	100.00
18) Kotak Floater Short Term - Growth	9,884.388	1,000	300.00	—	—
19) Kotak Gilt (Investment Regular) - Growth	—	10	—	386,195.817	150.00
20) L & T Cash Fund Growth	15,769.668	1,000	—	—	—
21) Motilal Oswal Most 10 Year Gilt Fund - Growth	—	10	—	500,000.000	50.00
22) Reliance Income Fund - Growth Plan - Bonus Option (Received Bonus Units in ratio of 3:5)	342,868.898	10	—	4,660,075.432	62.93
23) Sundaram Flexi Fund Short Term Plan Bonus	1,509,981.892	10	—	—	—
24) Sundaram Flexible Fund - Short Term Plan Regular - Growth	498,805.361	10	100.00	—	—
25) Templeton India Cash Management Account - Growth Plan	237,052.908	10	47.93	3,197,443.007	609.07
26) Templeton India Low Duration Fund - Growth	—	10	—	16,369,771.444	2,020.00
27) Templeton India Short Term Income Retail Plan - Growth	—	1,000	—	24,929.237	541.88
28) Templeton India Treasury Management Account Super Institutional Plan Growth (***)	2,278.340	1,000	41.80	—	—
<b>In Debentures - Quoted, fully paid up</b>	<b>No. of Debenture</b>			<b>No. of Debenture</b>	
1) NOMURA CAPITAL (INDIA) PVT LTD ELD-SR- NCE041	—	100000	—	200	200.00
<b>In Debentures - Unquoted, fully paid up</b>					
1) Zero Coupon NCD Series 4 Manappuram Finance Limited	—	1,000,000	—	44	384.76
2) Mantri Mansion Private Limited - 18 NCD 17 June 2014	2	5,000,000	33.33	—	—
Note ( * ) : (NCD refers to Non Convertible Debentures.)					
<b>TOTAL</b>			<b>9,229.94</b>		<b>10,024.89</b>
Aggregate amount of quoted investments			<b>2,905.08</b>		1,326.25
Aggregate market value of listed and quoted investments			<b>3,061.28</b>		10,456.16
Aggregate amount of unquoted investments			<b>6,324.86</b>		8,698.64

(\*\*\*) The following Mutual Fund units has been earmarked against the secured loan taken from bank :

Particulars	Number of Units
Birla Sun Life Cash Plus - Growth - Regular Plan	352152.825
Birla Sun Life Dynamic Bond Fund - Retail - Growth - Regular Plan	2526145.607
Birla Sun Life Savings Fund - Growth - Regular Plan	186266.528
DWS Insta Cash Plus Fund - Super Institutional Plan - Growth	401115.210
DWS Short Maturity Fund Regular Plan - Annual Bonus	2207743.644
ICICI Prudential Flexible Income - Regular Plan - Growth	537293.105
ICICI Prudential Liquid - Regular Plan - Growth	385501.542
IDFC Money Manager Fund - Treasury Plan - Growth - (Regular Plan)	1783646.370
Templeton India Treasury Management Account Super Institutional Plan-Growth	2278.340

**13 INVENTORIES :**

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
i) Raw Materials	7,195.16	6,606.83
ii) Work in Process	256.22	675.40
iii) Finished Goods	6,142.02	3,699.87
iv) Stock of consumable Stores & Spare parts	24.14	22.28
	<b>13,617.54</b>	<b>11,004.38</b>
<b>TOTAL</b>	<b>13,617.54</b>	<b>11,004.38</b>

13.1 Inventories except Consumables Stores and Spares are valued at cost or net realisable value whichever is less.

13.2 Consumables Stores and Spares are valued at cost.

**14 TRADE RECEIVABLES :**

(Unsecured)

a) Outstanding for a period exceeding six months from due date		
- considered good	442.72	236.68
- considered doubtful	—	—
b) Other Debts-considered good		
- considered good	11,865.92	12,235.13
- considered doubtful	—	—
	<b>12,308.64</b>	<b>12,471.81</b>
<b>TOTAL</b>	<b>12,308.64</b>	<b>12,471.81</b>

**15 CASH & BANK BALANCE :**

Cash On Hand	28.74	33.89
Balance with Bank		
i) Current Account	152.19	1,025.32
ii) EEFC Account	484.12	720.51
iii) Fixed Deposit with Banks	55.98	112.34
	<b>721.03</b>	<b>1,892.06</b>
<b>TOTAL</b>	<b>721.03</b>	<b>1,892.06</b>

Balance in current account includes earmarked balance ₹ 20.75 lakh (previous year ₹ 24.90 Lakh).

**16 SHORT TERM LOANS & ADVANCES :**

a) Prepaid Expenses	49.25	33.25
b) Balances with government authorities :		
i) Vat & Service Tax Receivable	359.71	224.37
c) Inter Corporate Deposits	225.00	155.00
d) Others :		
i) Secured, considered good	—	—
ii) Unsecured, considered good	658.47	445.51
iii) Doubtful	—	—
e) Advance Tax (Net off Provision)	48.78	33.07
	<b>1,341.21</b>	<b>891.20</b>
<b>TOTAL</b>	<b>1,341.21</b>	<b>891.20</b>

**17 REVENUE FROM OPERATIONS :**

(₹ in Lakhs)

Particulars	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
a) Sales of Manufactured Goods	30,001.77	25,404.93
b) Sales of Trading Goods	1,310.52	1,067.03
c) Sale of Services	71.67	94.69
<b>TOTAL</b>	<b>31,383.96</b>	<b>26,566.65</b>
<b>Sale of products comprises :</b>		
<b>a) Manufactured goods :</b>		
i) Sales of gold Jewellery	29,947.31	25,164.68
ii) Sales of Silver Jewellery	54.32	227.41
iii) Sales of Silver Masters	0.14	0.81
iv) Local - Sales Inter Unit Sales	—	12.03
<b>TOTAL</b>	<b>30,001.77</b>	<b>25,404.93</b>
<b>b) Traded goods :</b>		
i) Sales of Cut & Polished Diamond	1,063.20	1,064.69
ii) Sales of Colour stones	—	0.32
iii) Sales of Alloy	0.33	0.39
iv) Sales of Platinum	3.52	—
v) Sales Gold	243.46	1.64
	<b>1,310.52</b>	<b>1,067.03</b>
<b>c) Sales of Services :</b>		
i) Job work Income	71.67	94.69
<b>TOTAL</b>	<b>71.67</b>	<b>94.69</b>

**18 OTHER INCOME :**

a) Dividend income from investments	2.54	30.49
b) Dividend on Shares	—	0.00
c) Net gain on sale of current and non current investments	337.45	235.99
d) Interest received on Bond	6.08	7.15
e) Interest Received on Loan	161.69	89.74
f) Net gain on foreign currency transactions and translation	29.60	45.75
g) Bad Debts Recovered	—	81.32
h) Misc. Income	41.32	5.80
i) Commission received	11.62	20.69
j) Profit on sale of Assets	—	2.90
k) Credit Balance written back	1.14	0.08
<b>TOTAL</b>	<b>591.44</b>	<b>519.92</b>

**19 RAW MATERIALS CONSUMED :**

Opening Stock :	6,606.83	6,353.87
Add: Purchases :	25,255.76	20,901.82
	<b>31,862.59</b>	<b>27,255.69</b>
Less : Closing Stock	7,195.16	6,606.83
<b>TOTAL</b>	<b>24,667.43</b>	<b>20,648.86</b>

**20 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE :**

(₹ in Lakhs)

Particulars	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
<b>I) Inventories at the end of the year :</b>		
a) Stock in Process	256.22	675.40
b) Finished Goods	6,142.02	3,699.87
	<b>6,398.24</b>	<b>4,375.26</b>
<b>II) Inventories at the beginning of the year :</b>		
a) Stock in Process	675.40	283.64
b) Finished Goods	3,699.87	3,082.82
	<b>4375.26</b>	<b>3,366.46</b>
<b>TOTAL</b>	<b>(2,022.98)</b>	<b>(1,008.80)</b>

**21 EMPLOYEE BENEFITS EXPENSES :**

**WAGES, SALARIES AND OTHER BENEFITS :**

a) Salaries, Wages, Bonus & Ex-gratia	611.92	474.49
b) Contribution to E.S.I.C.	2.46	2.77
c) Contribution to Provident Fund	5.19	5.15
d) Contribution to LIC Group Gratuity Scheme	5.09	1.26
e) Workmen & Staff Welfare Expenses	34.08	30.21
<b>TOTAL</b>	<b>658.74</b>	<b>513.87</b>

**21.01 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 <sup>st</sup> March, 2014	Gratuity Funded 31 <sup>st</sup> March 2013	Leave Encashment Non Funded 31 <sup>st</sup> March, 2014	Leave Encashment Non Funded 31 <sup>st</sup> March, 2013
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>				
Present Value of obligation as at beginning of year	13.25	9.63	3.62	2.56
Current service cost	18.99	4.93	2.21	3.61
Interest cost	0.95	0.74	0.20	0.14
Actuarial (gain)/loss	(16.76)	(0.51)	11.62	(0.72)
Benefits paid	(1.99)	(1.54)	(2.91)	(1.97)
Present Value of obligation as at end of the year	<b>14.44</b>	<b>13.25</b>	<b>14.74</b>	<b>3.62</b>
<b>Change in Plan assets</b>				
Plan assets at period beginning, at fair value	9.86	9.99	—	—
Expected return on plan assets	0.82	0.76	—	—
Actuarial (gain)/loss	0.79	0.06	—	—
Contribution	2.77	0.58	2.91	—
Benefits paid	(1.99)	(1.54)	(2.91)	—
Plan assets at period end 2014, at fair value	<b>12.24</b>	<b>9.86</b>	<b>—</b>	<b>—</b>



(₹ in Lakhs)				
Assumptions	Gratuity Funded 31 <sup>st</sup> March, 2014	Gratuity Funded 31 <sup>st</sup> March 2013	Leave Encashment Non Funded 31 <sup>st</sup> March, 2014	Leave Encashment Non Funded 31 <sup>st</sup> March, 2013
<b>Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	9.86	9.99	—	—
actual return on plan assets	0.86	0.82	—	—
Contributions	2.77	0.58	—	—
Benefits paid	(1.99)	—	(2.11)	—
Fair Value of Plan Assets at the end of the year	11.49	11.39	—	—
Funded status	(2.95)	1.62	7.97	—
Excess of Actual over estimated return	20.04	24.40	—	—
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>				
Fair value of plan assets at the end of the period	13.25	1.59	—	(1.86)
Present value of the defined benefit obligation at the end of the period	14.44	9.85	0.59	—
Assets/(Liability) recognised in the Balance Sheet	(2.95)	(3.40)	(7.97)	—
Net asset/(liability) recognized in Balance Sheet	(2.95)	(3.40)	(7.97)	(1.86)
<b>Expenses for the year</b>				
Current service cost	18.99	3.04	2.21	3.61
Interest cost on benefit obligation	0.95	0.74	0.20	0.14
Expected return on plan assets	(0.03)	(0.76)	—	—
Net actuarial (gain)/loss recognised in the year	(14.91)	(0.57)	11.61	(0.72)
Total expenses recognised in the Profit and Loss Account	5.01	2.45	14.02	3.03

Assumptions	31 <sup>st</sup> March, 2014 Gratuity	31 <sup>st</sup> March, 2013 Gratuity	31 <sup>st</sup> March, 2014 Leave Encashment	31 <sup>st</sup> March, 2013 Leave Encashment
Discount Rate	8.05%	8.00%	9.16%	8.57%
Employee Turnover	5.00%	6.00%	5.00%	2.00%
Salary Escalation	8.00%	6.00%	8.00%	6.00%
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 ₹ 1.99 lakh (Previous year ₹ 1.54 lakh).

Leave Encashment ₹ 2.91 lakh (Previous year ₹ 1.97 lakh).

(ii) **Defined Contribution Plan :**

Contribution to Provident Fund is ₹ 5.19 lakh (Previous year ₹ 5.15 lakhs), ESIC includes ₹ 2.46 lakh (Previous year ₹ 2.77 lakhs).

Temple Designs LLP, a Joint venture of Diagold Designs Limited, has not provided gratuity on actuarial valuation, as the firm has closed its manufacturing activity during the current year and as on date only one employee is employed by the firm.

With respect to foreign subsidiaries and Joint Ventures the same has been accounted as per the respective laws in the country of their incorporation.

**22 FINANCE EXPENSES :**

(₹ in Lakhs)

Particulars	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
a) Interest on loan	336.20	318.02
b) Stamp Duty	2.84	6.59
<b>TOTAL</b>	<b>339.04</b>	<b>324.61</b>

**22.01** Interest on loan includes ₹ Nil (Previous year ₹ 12.31 lakh) paid to Director Mr. Rashesh M. Bhansali

**23 OTHER EXPENSES :**

(₹ in Lakhs)

Particulars	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
a) Stores & Spares	78.73	59.86
b) Power & Water	135.27	114.22
c) Repairs & Maintenance	46.27	28.55
d) Machinery & Electrical Repairs	14.18	11.84
e) Assortment Labour and Grooving charges	401.74	394.82
f) Insurance	18.62	11.28
g) Other Manufacturing Expenses	546.49	604.73
h) Rent Rates & Taxes	84.59	69.42
i) Donations	0.32	6.83
j) Bank Charges	80.75	81.62
k) Commission on purchase & sales	296.32	249.28
l) Travelling and conveyance	144.35	123.22
m) Telephone charges	21.60	21.13
n) Printing & Stationery	13.48	14.35
o) Portfolio Management fees	—	0.13
p) Security Transaction Tax	—	0.56
q) Discount to Customers	254.88	117.58
r) Selling and distribution expenses	204.15	106.29
s) Bad Debts	—	8.07
t) Vehicle Expenses	13.28	14.16
u) Auditors' Remuneration	6.51	6.01
v) Preliminary Expenses Written off	2.92	1.23
w) General Expenses	492.42	508.60
x) Loss on Revaluation of Investments	8.26	19.80
y) Loss on Sale of Fixed Assets	0.94	—
<b>TOTAL</b>	<b>2866.06</b>	<b>2,573.58</b>

**24 EXCEPTIONAL ITEMS:**

a) Profit / (Loss) on Sale of Fixed Assets	—	434.44
<b>TOTAL</b>	<b>—</b>	<b>434.44</b>

**25** The consolidated accounts for the year ended 31<sup>st</sup> March, 2014 were consolidated on the basis of the audited accounts presented by the subsidiaries, Diagold Designs Limited, Goldiam Jewellery Limited and Limited Review Report presented by subsidiary, M/s. Goldiam USA, Inc.

**26** The consolidated accounts for the year ended 31<sup>st</sup> March, 2014 were consolidated on the basis of the audited accounts presented by the Joint Venture, M/s. Goldiam HK Limited.

**27** a) During the previous financial year 2012-13, the Company had disposed off 2985000 equity shares of Goldiam Jewels Limited one of the subsidiary on 28th September, 2012. The total holding of the said subsidiary was 99.50% on the date of disposal, The accounts of the said company has been incorporated in the consolidated accounts on the basis of the unaudited results as on the date of disposal.

- b) The accounts of Temple Designs LLP have where in one of the subsidiary M/s. Diagold Designs Limited is a designated partner with a profit sharing of 51% in the said LLP 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.

**28** 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.

**29 Subsidiaries :**

The subsidiary companies considered in the financial statements are :

Name of the Subsidiary	Country of incorporation	Proportion of ownership interest in (%)	
		2013-14	2012-13
Diagold Designs Limited	India	<b>50.99%</b>	50.99%
Goldiam Jewellery Limited	India	<b>100.00%</b>	100.00%
Goldiam USA, Inc.	USA	<b>100.00%</b>	100.00%

Note : "Goldiam Jewels Limited " was Subsidiary of the company upto 28th September, 2012

**30 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 31.03.2014	For the period ended 31.03.2013
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 31.03.2014	For the year ended 31.03.2013
Proportionate Reserves and Surplus as at the beginning of the year	<b>(15.16)</b>	(50.04)
Proportionate Transfer to Reserves	—	—
Proportionate Transfer to Reserves Proportionate surplus/(deficit) in Profit and Loss Account	<b>16.50</b>	34.87
Proportionate Reserves and Surplus as at the end of the year	<b>1.34</b>	(15.16)

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 <sup>st</sup> March, 2014		For the year ended 31 <sup>st</sup> March, 2013	
		Assets	Liabilities	Income	Expenditure
<b>Goldiam HK Limited, Hong Kong</b>	<b>49.96%</b>	<b>943.41</b>	<b>505.82</b>	<b>1,380.93</b>	<b>1,360.75</b>
(Year ended 31st March, 2013)	49.96%	834.44	414.74	1,827.76	1,785.90

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)

	For the year ended 31 <sup>st</sup> March, 2014			For the year ended 31 <sup>st</sup> March, 2013		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
I) REVENUE FROM OPERATIONS	29,529.38	1,854.58	31,383.96	22,994.33	3,572.32	26,566.65
II) OTHER INCOME	590.30	1.14	591.44	518.60	1.32	519.92
III) TOTAL REVENUE (I+II)	30,119.68	1,855.72	31,975.40	23,512.93	3,573.64	27,086.56
IV) EXPENSES :-						
COST OF MATERIALS CONSUMED	23,313.59	1,353.84	24,667.43	17,606.51	3,042.34	20,648.86
PURCHASES OF STOCK-IN-TRADE	2,823.20	—	2,823.20	1,657.27	3.38	1,660.65
CHANGES IN INVENTORIES OF FINISHED GOODS	—	—	—	—	—	—
WORK-IN-PROGRESS AND STOCK-IN-TRADE	(2,198.22)	175.24	(2,022.98)	(970.09)	(38.71)	(1,008.80)
EMPLOYEE BENEFITS EXPENSES	596.59	62.15	658.74	444.99	68.88	513.87
FINANCE COSTS	296.35	42.70	339.04	240.45	84.16	324.61
DEPRECIATION / AMORTISATION	238.52	4.41	242.93	199.71	5.55	205.26
OTHER EXPENSES	2,605.24	260.82	2,866.06	2,221.14	352.44	2,573.58
	27,675.27	1,899.15	29,574.43	21,399.99	3,518.04	24,918.03
V) PROFIT BEFORE TAX (III-IV)	2,444.40	(43.43)	2,400.97	2,112.94	55.60	2,168.53

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	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	21,631.22	—	21,631.22	19,878.61	—	19,878.61
2) MINORITY INTEREST	1,393.86	—	1,393.86	1,377.03	—	1,377.03
3) NON-CURRENT LIABILITIES						
(a) LONG - TERM BORROWINGS	—	—	—	—	—	—
(b) DEFERRED TAX LIABILITY (NET)	107.71	—	107.71	109.81	—	109.81
(c) OTHER LONG TERM LIABILITIES	—	—	—	—	—	—
(d) LONG - TERM PROVISIONS	—	—	—	—	—	—
4) CURRENT LIABILITIES						
(a) SHORT TERM BORROWINGS	7,689.72	62.44	7,752.16	9,576.44	386.59	9,963.03
(b) TRADE PAYABLES	7,123.99	452.78	7,576.77	6,233.82	150.91	6,384.73
(c) OTHER CURRENT LIABILITIES	500.54	13.39	513.93	497.13	11.85	508.98
(d) SHORT - TERM PROVISIONS	209.56	—	209.56	294.70	2.12	296.82
TOTAL	41,151.21	528.61	41,679.81	40,462.13	551.47	41,013.60
II) ASSETS :						
1) NON - CURRENT ASSETS						
(a) FIXED ASSETS	2,603.39	24.38	2,627.77	2,616.56	29.68	2,646.24
(i) TANGIBLE ASSETS	4.26	0.53	4.79	1.04	0.58	1.62
(ii) INTANGIBLE ASSETS	—	—	—	—	—	—
(iii) CAPITAL WORK - IN - PROGRESS	33.01	—	33.01	14.86	—	14.86
(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT	—	—	—	—	—	—

	(₹ in Lakhs)					
	As at 31 <sup>st</sup> March, 2014			As at 31 <sup>st</sup> March, 2013		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
(b) NON - CURRENT INVESTMENT	1,658.97	—	1,658.97	1,934.18	—	1,934.18
(c) DEFERRED TAX ASSETS (NET)	17.64	—	17.64	21.76	—	21.76
(d) LONG - TERM LOANS & ADVANCES	117.58	1.67	119.26	105.82	1.88	107.70
(e) OTHER NON - CURRENT ASSETS	—	—	—	1.39	1.53	2.92
<b>2) CURRENT ASSETS</b>						
(a) CURRENT INVESTMENT	9,229.94	—	9,229.94	10,024.89	—	10,024.89
(b) INVENTORIES	12,991.31	626.23	13,617.54	10,251.70	752.68	11,004.38
(c) TRADE RECEIVABLES	11,707.22	601.42	12,308.64	11,216.91	1,254.90	12,471.81
(d) CASH & BANK BALANCE	713.69	7.35	721.03	1,874.20	17.86	1,892.06
(e) SHORT - TERM LOANS & ADVANCES	1,314.93	26.29	1,341.21	856.84	34.36	891.20
(f) OTHER CURRENT ASSETS	—	—	—	—	—	—
<b>TOTAL</b>	<b>40,391.94</b>	<b>1,287.87</b>	<b>41,679.81</b>	<b>38,920.14</b>	<b>2,093.47</b>	<b>41,013.60</b>

### 31 CONTINGENT LIABILITIES NOT PROVIDED FOR :

- The Group has outstanding performance guarantee of ₹ 2269.90 lakhs as on the Balance Sheet date, executed in favour of Deputy Commissioner of Customs. (Previous year ₹ 2269.90 lakh)
- 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 lakh (Previous year ₹ 136.97 lakh) on account of property tax.
- The Group has outstanding demand of Income tax of ₹ 4.27 lakh (Previous Year ₹ 4.27 lakh) for Assessment Year 2004-05 and of ₹ 5.15 lakh (Previous year ₹ 5.15 lakh) 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.
- The Company has executed Bank Guarantee of ₹ 3250 lakh (Previous year ₹ 3250 lakh) favouring The Hongkong and Shanghai Banking Corporation Limited.

### 32 Unhedged foreign currency exposure :

PARTICULARS	31.03.2014		31.03.2013	
	in Lakhs	₹ in Lakhs	in Lakhs	₹ in Lakhs
Outstanding Receivables	\$ 173.706	10,414.01	\$ 193.494	10,451.02
Outstanding creditors for goods and spares	\$ 121.689	7,241.06	\$ 69.185	3,891.42
Exchange Earner's Foreign Currency account with Banks	\$ 8.248	484.12	\$ 13.351	720.51
Outstanding creditors for spares (EURO)	€ 0.119	7.28	€ 0.004	0.30
Bill Discount Account with Bank	—	—	\$ 7.964	433.18
Outstanding Payable for Packing Credit Loan in Foreign Currency	\$ 71.697	4,354.62	\$ 118.276	6,485.94
Post shipment credit in foreign currency with Bank	\$ 42.563	2,512.96	\$ 32.043	1,748.11

### 33 DIFFERENCE IN ACCOUNTING POLICY FOR DEPRECIATION :

Depreciation on fixed assets relating to subsidiary company, Goldiam USA Inc., 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 in respect of subsidiary (upto the date of disposal of subsidiary), Goldiam Jewels Limited, has been provided as per Straight Line Method as against Written Down Value method followed by the Company. Depreciation for the year includes ₹ 4.76 lakh (Previous year ₹ 5.24 lakh) 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 31<sup>st</sup> March, 2014 is ₹ 22.30 lakh (As at 31<sup>st</sup> March, 2013 ₹11.79 lakh).

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 ₹ 4.41 lakh (Previous year ₹ 5.55 lakh) 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 31<sup>st</sup> March, 2014 is ₹ 24.90 lakh (As at 31<sup>st</sup> March, 2013 ₹ 30.23 lakh).

**34 MANAGERIAL REMUNERATION :**

(₹ in Lakhs)

	2013-14	2012-13
i) Salaries	84.00	90.00
ii) Perquisites	9.75	8.25
iii) Sitting Fees	2.05	3.15
iv) Commission	28.55	12.47
	<b>124.36</b>	<b>113.86</b>

**35 EARNING PER SHARE :**

	2013-14	2012-13
Profit after Tax (₹ in Lakhs)	1,707.04	1,865.96
No. of shares outstanding	24945996	24945996
Weighted Average no. of shares + potential shares outstanding	24945996	24945996
Earning per share (Basic) (₹)	6.84	7.48
Earning per share (Diluted) (₹)	6.84	7.48

**36 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

**5) SIGNIFICANT CONTROL OF KEY MANAGERIAL PERSONNEL :**

Sunshine Corporation

**b) Transactions during the year with related parties:**

(₹ in Lakhs)

Sr. No.	Nature of Transaction	Key Management Personnel	
		2013-14	2012-13
i)	Payments to & provisions for Directors' remuneration	122.31	110.72
ii)	Interest paid	—	12.00
iii)	Loans refunded	—	630.96
b)	Outstanding Payables as on 31 <sup>st</sup> March, 2014	28.55	10.09

**c) Disclosure in respect of Transactions with related parties during the year** (₹ in Lakhs)

<b>Sr. Nature of Transaction No.</b>	<b>Current Year ₹</b>	<b>Previous Year ₹</b>
<b>i) Payments to &amp; provisions for Directors' remuneration :</b>		
Rashesh M. Bhansali	56.42	46.65
Ami R. Bhansali	46.91	46.13
Milan Mehta	9.49	8.97
Nirav Mehta	9.49	8.97
<b>ii) Interest paid :</b>		
Rashesh M. Bhansali	—	12.00
<b>iii) Loans refunded</b>		
Rashesh M. Bhansali	—	630.96
<b>a) Outstanding Payables as on 31<sup>st</sup> March, 2013</b>		
Rashesh M. Bhansali	20.42	10.12
Ami R. Bhansali	4.16	0.03
Milan Mehta	2.24	0.97
Nirav Mehta	1.74	(1.03)

**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)

	<b>Year to 31.03.2014</b>			
	<b>JEWELLERY</b>	<b>INVESTMENT ACTIVITY</b>	<b>OTHERS (Unallocated)</b>	<b>TOTAL</b>
Segment Revenue	31,467.63	499.50	—	31,967.13
Segment Results	2,336.73	499.35	—	2,836.08
Less: unallocated expenses net of unallocated (income)	—	—	(96.06)	(96.06)
Interest expenses (Net)	—	—	—	339.04
Profit before tax	—	—	—	2,400.97
Depreciation and Amortisation	—	—	—	242.93
Non cash expenses other than Depreciation and Amortisation	—	—	—	—
Segment Assets	29,243.85	11,697.28	738.67	41,679.81
Segment Liabilities (excluding Shareholders' Funds)	17,236.72	—	317.27	17,553.99



(₹ in Lakhs)

	JEWELLERY	Year to 31.03.2013 INVESTMENT ACTIVITY	OTHERS (Unallocated)	TOTAL
Segment Revenue	26,723.18	363.38	—	27,086.56
Segment Results	2,200.62	363.38	—	2,564.00
Less: unallocated expenses net of unallocated (income)	—	—	(70.85)	(70.85)
Interest expenses (Net)	—	—	—	324.61
Profit before tax	—	—	—	2,168.53
Depreciation and Amortisation	—	—	—	205.26
Non cash expenses other than Depreciation and Amortisation	—	—	—	—
Segment Assets	26,735.76	12,362.50	1,915.35	41,013.61
Segment Liabilities (excluding Shareholders' Funds)	18,233.77	—	406.63	18,640.40

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 :**

		(₹ in Lakhs)
<b>1. Segment Results :</b>		
<b>PARTICULARS</b>	<b>2013-14</b>	<b>2012-13</b>
Within India	<b>0.78</b>	(61.11)
Exports outside India	<b>2,335.95</b>	2,261.73
Total Revenue	<b>2,336.73</b>	2,200.62
<b>2. Segment Assets :</b>		
Within India	<b>719.06</b>	1,611.85
Exports outside India	<b>28,524.79</b>	25,123.91
Total Assets	<b>29,243.85</b>	26,735.76
<b>3. Segment Liabilities :</b>		
Within India	<b>22.78</b>	777.97
Exports outside India	<b>17,213.93</b>	17,455.79
Total Liabilities	<b>17,236.72</b>	18,233.77

- 38** 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.
- 39** The previous year's figures have been regrouped and rearranged wherever necessary to make in compliance with the current financial year.

The notes referred to above form an integral part of these consolidated financial statements.

As per our report of even date

**For Pulindra Patel & Co.**

Chartered Accountants

ICAI firm Registration No. 115187W

For and on behalf of the Board

**Pulindra M. Patel**

Proprietor

Membership No. 48991

**Anita Kate**

Company Secretary

**Manhar R. Bhansali**

Chairman & Mg. Director

DIN 00058699

**Rashesh M. Bhansali**

Vice Chairman & Mg. Director

DIN 00057931

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

Place : Mumbai

Date : 27<sup>th</sup> May, 2014

## FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Particulars	Goldiam	Diagold	Goldiam USA, Inc.	
	Jewellery Limited	Designs Limited		
	₹ in Lacs	₹ in Lacs	₹ in Lacs	US\$ in Lacs
	INR	INR	INR	USD
Reporting Currency				
Capital	100.00	399.99	—	0.000
Reserves	5,929.55	2,315.22	90.81	1.50
Total Assets	11,115.46	7,214.35	7,316.36	120.939
Total Liabilities	5,085.91	4,499.13	7,116.65	117.638
Investments	2,019.29	356.06	—	—
Turnover/Total Income	13,236.62	6,969.76	9,029.73	149.261
Profit Before Taxation	983.28	170.90	97.81	1.617
Provision for Taxation	216.47	82.13	29.33	0.485
Exceptional Items	—	—	—	—
Profit After Taxation	766.81	88.77	68.49	1.132
Proposed Dividend	—	—	—	—
Country	India	India	USA	USA

As on 31<sup>st</sup> March, 2014 US\$ 1= ₹ 60.496

## **GOLDIAM INTERNATIONAL LIMITED**

CIN: L36912MH1986PLC041203

Registered Address: Gems & Jewellery Complex, M.I.D.C., Seepz, Andheri (East), Mumbai - 400 096.

Tel: (022) 2829 1893, 2829 0396, 2829 2397 Fax: (022) 2829 2885, 2829 0418

Email: goldiam@vsnl.com Website: www.goldiam.com

### **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 SEVENTH 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 30th September, 2014 at 10.30 a.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)

## Proxy Form

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

### **GOLDIAM INTERNATIONAL LIMITED**

CIN: L36912MH1986PLC041203

Registered Address: Gems & Jewellery Complex, M.I.D.C., Seepz, Andheri (East), Mumbai - 400 096.

Tel: (022) 2829 1893, 2829 0396, 2829 2397 Fax: (022) 2829 2885, 2829 0418

Email: goldiam@vsnl.com Website: www.goldiam.com

Name of Member(s): .....

Registered Address: .....

.....

Email: .....

Folio no/Client No: .....

DP ID: .....

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

1. Name: .....

Address: .....

.....

E-mail Id: ..... Signature:

Or failing him

2. Name: .....

Address: .....

.....

E-mail Id: ..... Signature:

Or failing him

3. Name: .....

Address: .....

.....

E-mail Id: ..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on the Tuesday, 30th September, 2014 At 10.30 A.M., at 'TRIBUNE 1', Banquet hall, 6th Floor, Hotel Tunga International, M.I.D.C, Central Road, Andheri (East), Mumbai – 400093 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.no.	Resolutions	For	Against
1.	Adoption of the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.		
2.	Declaration of Dividend on Equity Shares		
3.	Re-appointment of Mr. Manhar R. Bhansali who retires by rotation		
4.	Appointment of Auditors & fixing their remuneration		
5.	Appointment of Mrs. Ami R. Bhansali as a Director of the Company		
6.	Appointment of Mr. Rajesh G. Kapadia as an Independent Director		
7.	Appointment of Mr. Ajay M. Khatlawala as an Independent Director		
8.	Appointment of Dr. R. Srinivasan as an Independent Director		
9.	Approval for payment of overall and minimum remuneration to Mr. Rashesh M. Bhansali, Vice Chairman & Managing Director for the period from 01.04.2014 till the remaining term of his appointment.		
10.	Enhancement of Borrowing Limit of Board		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of proxy holder(s)

**Affix ₹1  
Revenue  
Stamp**

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

If undelivered, please return to:

**GOLDIAM INTERNATIONAL LIMITED**

Gems & Jewellery Complex,

SEEPZ, Andheri (East),

Mumbai - 400 096