

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 st March 2013
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 <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  Rashesh M. Bhansali Vice Chairman & Managing Director </div> <div style="text-align: center;">  Rajesh G. Kapadia Audit Committee Chairman </div> </div> <div style="display: flex; justify-content: center; gap: 100px;"> <div style="text-align: center;">  H.C. Mody Chief Financial Officer </div> <div style="text-align: center;">  </div> </div>

Annual Report

2012-2013



**Goldiam
International
Limited**

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

BOARD OF DIRECTORS

MANHAR R. BHANSALI	CHAIRMAN & MANAGING DIRECTOR
RASHESH M. BHANSALI	VICE-CHAIRMAN & MANAGING DIRECTOR
AJAY M. KHATLAWALA	INDEPENDENT DIRECTOR
RAJESH G. KAPADIA	INDEPENDENT DIRECTOR
DR. R. SRINIVASAN	INDEPENDENT DIRECTOR

COMPANY SECRETARY & COMPLIANCE OFFICER

ANITA KATE

e-mail: investorrelations@goldiam.com

AUDITORS

PULINDRA PATEL & CO.,
Chartered Accountants

BANKERS

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

REGISTERED OFFICE

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

DIAMOND PROCUREMENT OFFICE

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

REGISTRAR AND TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078
Tel no.: 25946970-78 Fax: 25946969
e-mail: rnt.helpdesk@linkintime.co.in

LISTING

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

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

DEMAT DETAILS

ISIN: **INE025B01017**

TWENTY SIXTH ANNUAL GENERAL MEETING

will be held on Friday, 6th September, 2013
at 3.00 p.m. at 'TRIBUNE 1' Banquet hall, 6th Floor,
Hotel Tunga International, M.I.D.C. Central Road,
Andheri (East), Mumbai - 400 093.

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IMPORTANT COMMUNICATIONS TO THE 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.

NOTICE

NOTICE is hereby given that the TWENTY SIXTH ANNUAL GENERAL MEETING of the Members of GOLDIAM INTERNATIONAL LIMITED will be held on Friday, 6th September, 2013 at 3.00 p.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 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend on equity shares for the year ended on 31st March, 2013.
3. To appoint a Director in place of Dr. R. Srinivasan, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Pulindra Patel & Co., Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To pass with or without modification(s) the following resolution as an **Ordinary Resolution**:
"RESOLVED pursuant to Section 293(1)(d) and subject to compliance with all other applicable provisions, if any, of the Companies Act, 1956 that the Board of Directors be and is hereby authorised and shall be deemed to have always been so authorised to raise or borrow from time to time at its discretion either from the Company's bankers or from Company's Directors or from elsewhere on such terms and conditions as to repayment, interest or otherwise as it thinks fit such sums as may be necessary for the purposes of the Company's business upto limit of Company's paid-up capital and free reserves from time to time, outstanding at any one time and that such borrowings shall be exclusive of temporary loans obtained or to be obtained by the Company from Company's bankers in the ordinary course of business."

By Order of the Board of Directors

Place: Mumbai
Date: 24th May, 2013

Regd. Office: **ANITA KATE**
Gems & Jewellery Complex, Company Secretary
SEEPZ (SEZ), Andheri (E),
Mumbai - 400 096.

NOTES:

- 1) A member entitled to attend and vote at the annual general meeting (the 'Meeting') is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument

appointing proxy, should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

- 2) The Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- 3) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 4) The details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed.
- 5) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 6) The Register of Members and Share Transfer Books will remain closed from Monday, 26th August, 2013 to Friday, 6th September, 2013 (both days inclusive).
- 7) Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid on 16th September, 2013 to those members whose names appear on the Register of Members as on 24th August, 2013.
- 8) 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.
- 9) Non-Resident Indian Members are requested to inform M/s. Link Intime India Private Limited, immediately of :
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 10) In all correspondences with the Company, members holding shares in physical form are requested to quote their Folio numbers and those holding shares in electronic form are requested to quote their DP ID number and Client ID number.
- 11) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can

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submit their PAN details to the Company/Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd.

- 12) The Securities and Exchange Board of India (SEBI) has vide its circular no. MRD/ DoP/Cir -05/2009 dated 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.
- 13) (i) Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the amount of dividend, which has remained unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government. No claims shall lie against the Fund or the Company in respect of the individual amounts which were unclaimed or unpaid for a period of seven years from the dates they became due for payment.
- (ii) Accordingly, the unpaid/unclaimed dividends for the financial years 2004-2005 (Final Dividend) and Interim Dividend for the financial year 2005-2006 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not yet encashed their dividend warrant(s) for the financial year 2005-2006 (Final Dividend), 2006-2007 (I & II Interim Dividends) or any of the subsequent years are requested to approach the Company's Registrar

and Transfer Agents, M/s. Link Intime India Pvt. Ltd., without any delay.

- 14) Members desirous of obtaining any information concerning the accounts are requested to write to the Company at least 10 days before the date of the meeting so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
- 15) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of Annual Report with them along with the Attendance slip duly signed and completed quoting their Folio No. in case shares are held in physical form or their DP ID number and Client ID number in case the shares are held in electronic form.

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 and forming part of the Notice dated 24th May, 2013.

ITEM NO. 5

The Company has approval under Section 293(1) (d) of the Companies Act, 1956 to borrow money from time to time at its discretion either from the Company's bankers or from Company's Directors or from elsewhere. As the Company has grown in the years after formation, its Reserves and Surplus and Paid-up capital of the Company has multiplied to many fold even after distribution of good dividend to the members. The Board of Directors deemed it fit to fix the borrowing limits to the extent as permitted under the provisions of Section 293(1) (d) which will take care of Company's requirements for business.

The Directors recommended this enabling resolution for approval of the shareholders.

Directors of the Company, are deemed to be interested in the resolution to the extent of their landing to the Company.

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

Particulars	Dr. R. Srinivasan
Date of Birth	30 th May, 1931
Date of Appointment	02 nd 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)	J Kumar Infraprojects Limited Elder Pharmaceuticals Limited Mcleod Russel India Limited Graphite India Limited Shalimar Paints Limited Williamson Magor & Co. Limited Shubhalaxmi Polysters Limited.
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders/Investor Grievance Committees)	J Kumar Infraprojects Limited Elder Pharmaceuticals Limited Mcleod Russel India Limited Graphite India Limited Shalimar Paints Limited Williamson Magor & Co. Limited
Number of Shares held	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this Twenty - Sixth Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2013.

FINANCIAL RESULTS:

	Year ended 31.03.2013	Year ended 31.03.2012
	(₹ in Lakhs)	
Sales for the year	<u>9,745.77</u>	<u>9,159.83</u>
Profit before Interest & finance charges, depreciation & taxation	1306.14	1280.54
Less: Interest & finance Charges	<u>70.97</u>	<u>63.67</u>
Operating profit before depreciation & taxation	1235.17	1216.87
Less: Depreciation, amortization & impairment of asset	<u>137.98</u>	<u>134.68</u>
Profit before Exceptional Items	1097.19	1082.19
Add: Exceptional Items	<u>180.33</u>	<u>—</u>
Profit before taxation	1277.52	1082.19
Current Tax & Prior Year	257.58	197.79
Deferred Tax Liability	<u>170.80</u>	<u>32.21</u>
Profit after taxation	849.15	852.19
Add: Balance brought forward	8082.96	7720.66
Profit available for appropriation	8932.10	8572.85
Less: Appropriation:		
Transfer to General Reserve	50.00	55.00
Interim Dividend	249.46	274.41
Tax on Interim Dividend	40.47	44.52
Proposed Dividend	124.73	99.78
Provision for Tax on Proposed Dividend	<u>21.20</u>	<u>16.19</u>
Balance carried forward to Balance Sheet	<u>8446.25</u>	<u>8082.96</u>

OPERATIONS:

The operations of the Company have shown improvement as compared to the previous year. The Company has achieved a turnover of ₹ 9745.77 lakhs during the year under report as compared to ₹ 9159.83 lakhs during the previous year reflecting a growth of 6.40% over the previous year. The net profit of the company decreased by 0.36% from ₹ 852.19 lakhs to ₹ 849.15 lakhs in the previous year. The decline in the profit is due to increase in the cost of materials, manufacturing and other expenses and decrease in the foreign exchange earning.

DEPOSITS:

The Company has not invited/ accepted any deposit from the public during the year ended 31st March, 2013. There were no unclaimed or unpaid deposits as on 31st March, 2013.

DIVIDEND:

The Board consider the payment of Interim Dividend @₹1/- per share (10%) has decided to recommend a final dividend @₹0.50 per share (5%), thus giving total dividend of ₹1.50 per share (15%) for the year under report.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations 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 24th 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.

GOLDIAM JEWELS:

During the year under report, the company has exited on 28.09.2012 completely from M/s. Goldiam Jewels Limited, through the sale of its stake in equity investment (29,85,000 Equity Shares) held in that company and the said company is no more a subsidiary with effect from 28th September, 2012.

DEMATERIALISATION:

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

Goldiam International Limited

DIRECTORS:

As per the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Dr. R. Srinivasan, 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 31st March, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.

AUDITORS:

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

REPORT ON CORPORATE GOVERNANCE:

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

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

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

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION:

The particulars regarding absorption of technology are annexed in the prescribed Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's main line of business is manufacturing and exporting studded gold jewellery. The Company has achieved Export Turnover of ₹ 9,745.77 lakhs during the year under report, 2012-2013, as compared to ₹ 9,159.83 lakhs in the previous year, 2011-2012.

Particulars	2012-2013	2011-2012
(₹ in Lakhs)		
1) Foreign Exchange Earned		
Export of Goods on F.O.B. basis	9,227.77	8,572.02
2) Outgo of Foreign Exchange		
i) Raw Materials	3,642.49	3,345.90
ii) Consumable Stores	10.73	15.22
iii) Capital Goods	17.42	28.79
iv) Foreign Travels	8.30	15.83
v) Others	20.12	19.32

PARTICULARS OF EMPLOYEES:

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

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 24th May, 2013

MANHAR R. BHANSALI
CHAIRMAN

ANNEXURES FORMING PART OF THE DIRECTORS' REPORT

ANNEXURE – I

FORM B

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

Research & Development:

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

The Company's R & D is focused on offering high quality, competitively priced, innovative design jewellery to its customers. It places emphasis on latest technologies for manufacturing diamond studded jewellery which can lead to improved quality. Goldiam has carried out extensive research in gold recovery. With the implementation of better techniques of gold recovery, the efficiency of gold recovery method has improved. In addition to the new casting crucibles, the company has also purchased new micro pave hand set technology a Machine set product which will improve the speed of setting of diamonds and also new high speed laser marker for faster productivity, all this new machineries will together increase the productivity of the Company.

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

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

3. Future plan of action

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

4. Expenditure on R & D

R&D is a continuous process and the expenditure is

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

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

Technology absorption, adaptation and innovation:

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and developments:

The gems and jewellery industry occupies an important position in Indian economy, It is a leading foreign exchange earner and also one of the fastest growing industries in the country. The two major segments of the sector in India are gold jewellery and diamonds. Gold jeweller's forms around 80 per cent of the Indian jewellery market, with the balance comprising fabricated studded jewellery that includes diamond studded as well as gemstone studded jewellery. A predominant portion of gold jewellery manufactured in India is consumed in the domestic market. In diamonds, however, a major portion of rough, uncut diamonds processed in India is exported, either in the form of polished diamonds or finished diamond jewellery. Besides being largest consumer of gold, India is also the leading diamond cutting nation in the world.

According to the Gems & Jewellery Export Promotion Council (GJEPC), the Gems & Jewellery industry has strived hard towards reducing India's current account deficit by controlling imports and increasing exports. The industry's contribution towards India's exchequer has also seen a staggering rise of 154 percent. The financial year 2012-2013 ended on a positive note with imports of rough diamonds going up by 12.65 percent indicating an increase in cutting, polishing and other manufacturing activities in India. The Industry also saw an increase in manufacturing activities indicated by the 33 percent growth in the export of gold jewellery contributing significantly to India's foreign exchange earnings and supported balance of payments. The year also witnessed a significant drop of 61.45 percent in the import of cut and polished diamonds indicating a huge cut in India's foreign exchange spending, thereby reducing the country's current account deficit. Total gems and jewellery exports for the year 2012-2013 was US \$ 39.033 billion.

Opportunities:

The jewellery industry is growing at a healthy rate, the shining metals of India brings more sparkle to the economy. Gems & jewellery export stands the second major foreign exchange earner for the country. Throughout the world, consumers are becoming far more selective in the products they buy and where they choose to shop. They are becoming more market savvy and socially aware, which in turn makes their shopping patterns far more selective and this gives Jewellery industry more challenges to manufacture best jewellery to attract its customer. India has the largest and the best artisan force for designing and crafting the jewellery in the world. There is considerable scope of value addition in terms of capacity building at the domestic front, quality management and professionalism.

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 ₹ 9,851.53 lakhs in the jewellery segment and of ₹ 325.79 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. According to the Gems & Jewellery Export Promotion Council (GJEPC), India's Gems & Jewellery are expected to grow at a whopping rate of 12 to 15 percent in the financial year 2013-2014.

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.

Disinvestment of Stake in Subsidiary Company:

The Goldiam Jewels Limited, subsidiary of the company was incurring the losses since long period, therefore, the management has decided to exit completely from M/s. Goldiam Jewels Limited, through the sale of its stake in equity investment held in that company and the said company is no more a subsidiary with effect from 28th September, 2012.

Financial Performance:

The resurgence of the global economies and the persistent efforts of the Company to sustain its trade relations besides expanding its base to other markets have helped the Company to show a considerable improvement in its performance during the year under review as compared to

the previous year. The Company has achieved a turnover of ₹ 9,745.77 lakhs during the year under review as compared to ₹ 9,159.83 lakhs during the previous year reflecting a growth of 6.40% over the previous year. The profits of the Company has decreased from ₹ 852.19 lakhs to ₹ 849.15 lakhs. The decline in the profit can be attributed to increase in the cost of materials, manufacturing and other expenses and decrease in foreign exchange earning.

The consolidated turnover of the Company, its Subsidiaries and Joint Ventures has increased from ₹ 24,526.39 lakhs in the previous year to ₹ 26,566.65 lakhs during the year under review recording a growth of 8.32%. The consolidated net profit after tax has increased from ₹ 1,522.98 lakhs in the previous year to ₹ 1,865.96 lakhs in the year under review registering growth of 22.52%.

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 2012-2013.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

This has been carried elsewhere in the Annual Report.

BOARD OF DIRECTORS:

Composition and Category of the Board of Directors as on 31st March, 2013 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	7	3	5

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

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

BOARD MEETINGS HELD:

Five Board meetings were held during the financial year ended on 31st March, 2013. These were held on 26th May, 2012, 14th August, 2012, 7th November, 2012, 28th December, 2012 and 13th February, 2013.

Attendance of each director at the Board meetings held during the financial year ended 31st March, 2013 and the last AGM:

Director	No. of Board meetings held	No. of Board meetings attended	Last AGM (YES/NO)
Mr. Manhar R. Bhansali	5	4	YES
Mr. Rashesh M. Bhansali	5	4	YES
Mr. Rajesh G. Kapadia	5	5	YES
Mr. Ajay M. Khatlawala	5	5	YES
Dr. R. Srinivasan	5	3	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 five times during the year under report, i.e. on 26th May, 2012, 14th August, 2012, 7th November, 2012, 28th December, 2012 and 13th February, 2013 reviewed the Annual Accounts of the Company for the financial year 2012-2013 and approved the same. The meetings held on 14th August, 2012, 7th November, 2012 and 13th February, 2013 reviewed and approved the results for 1st, 2nd and 3rd quarter respectively.

Composition and Attendance at the meetings of the Audit Committee:

Name of the Member	Status	No. of meetings attended
Mr. Rajesh G. Kapadia	Chairman	5
Mr. Ajay M. Khatlawala	Member	5
Dr. R. Srinivasan	Member	3

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

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

Goldiam International Limited

SHAREHOLDER/INVESTOR SERVICE:

Shareholder/ Investor Service is handled by the Company Secretary who provides timely services. The Company received 14 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 2012-13:

(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	53,530	10,12,466	46,65,996

(b) Remuneration paid to Non-Executive Directors:

Name	Sitting Fees	No. of Shares held
Mr. Rajesh G. Kapadia	75,000	nil
Mr. Ajay M. Khatlawala	75,000	6000
Dr. R. Srinivasan	45,000	nil

GENERAL BODY MEETINGS:

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

Financial Year	Date & Time	Location	Special Resolution passed
2009-2010	12.08.2010 3.00 p.m.	'Tribune 1' Banquet Hall, 6 th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093	1) Remuneration to Mr. Rashesh M. Bhansali, Vice Chairman & Managing Director with effect from 1 st April, 2010. 2) Re-appointment of Mr. Rashesh M. Bhansali as the Vice Chairman & Managing Director of the Company for a period of 5 years with effect from 1 st February, 2011 3) Re-appointment of Mr. Manhar R. Bhansali as the Chairman & Managing Director of the Company for a period of 5 years w.e.f. 24 th January, 2011.
2010-2011	10.08.2011 2.30 p.m.	'Tribune 1' Banquet Hall, 6 th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093	No special resolution passed
2011-2012	14.08.2012 2.30 p.m.	'Tribune 1' Banquet Hall, 6 th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093	No special resolution passed

b) Special Resolution passed through Postal Ballot:

No Special resolution was passed through Postal Ballot during 2012-2013.

SUBSIDIARIES:

Diagold Designs Limited, Goldiam Jewellery Limited and Goldiam Jewels Limited (subsidiary upto 28th September 2012), 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.

Annual Report 2012-2013

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'. Annual Reports are despatched to all the shareholders. No presentation was made to the institutional investors or analysts during the year.

GENERAL SHAREHOLDER INFORMATION:

- I. Annual General Meeting:
- Date 6th September, 2013
Time 3.00 p.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: 1st April, 2012 to 31st March, 2013
- III. Date of Book Closure: Monday, 26th August, 2013 to Friday, 6th September, 2013
- IV. Dividend Payment Date: 16th September, 2013
- 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 2012-2013 are as below:

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	26.90	23.00	24.05	24.05
May, 2012	26.00	20.80	25.95	22.00
June, 2012	33.10	22.50	33.10	28.95
July, 2012	30.90	24.35	25.50	24.35
August, 2012	28.00	24.00	26.90	26.00
September, 2012	34.40	25.60	30.55	29.45
October, 2012	31.30	27.55	28.80	28.35
November, 2012	32.00	27.55	30.25	29.15
December, 2012	30.55	26.00	27.70	27.05
January, 2013	30.90	26.05	26.30	26.05
February, 2013	26.90	22.60	24.25	22.70
March, 2013	24.45	18.90	20.40	19.05

Goldiam International Limited

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

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 effected by the Share Transfer Agents after approval by the Share Transfer Committee; provided the documents are complete in all respects and the share transfer is not under any dispute and the share certificates duly endorsed are sent to the shareholders by them. The minutes of the meetings of the Share Transfer Committee are placed at the Board Meeting.

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

XI. Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2013:

Equity Shareholding	Number of Shareholders	Percentage of Shareholders(%)	Number of Shares	Percentage of Shareholding (%)
1 — 500	8605	81.92	1727781	6.93
501 — 1000	900	8.57	732330	2.94
1001 — 2000	490	4.66	751260	3.01
2001 — 3000	155	1.48	397350	1.59
3001 — 4000	89	0.85	324890	1.30
4001 — 5000	75	0.71	354144	1.42
5001 — 10000	103	0.98	745434	2.99
10001 & Above	87	0.83	19912807	79.82
Total	10504	100.00	24945996	100.00

Shareholding Pattern as on 31st March, 2013:

Category	Number of Shares	Percentage
Shareholding of Promoters & Promoter Group	13901738	55.73
Public Shareholding		
• Institutions		
Mutual Funds/UTI	8000	0.03
Financial Institutions/Banks	400	0.00
• Non-Institutions		
Bodies Corporate	536909	2.15
Individuals	6896502	27.64
Clearing Member	27302	0.11
Market Maker	25931	0.11
Foreign Nationals, NRIs, Foreign Companies, OCBs	3157338	12.66
Independent Directors	6000	0.02
HUF	385876	1.55
Total	24945996	100.00

XII. Dematerialization of shares and liquidity:

The shares of the Company are traded compulsorily in the dematerialized form and connectivity has been established with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2013, 24380479 equity shares, representing 97.73% 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**.

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

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

XIV. Plant Locations:

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

XV. Address for Correspondence:

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

COMPLIANCE CERTIFICATE OF AUDITORS: Attached with this Report.

No qualification in Auditors' Report.

CODE OF CONDUCT:

In accordance with Clause 49 sub-clause I(D)(ii) of the Listing Agreement with the Stock Exchanges, I, Mr. 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 2012-2013.

For GOLDIAM INTERNATIONAL LIMITED

Mumbai: 24th May, 2013

RASHESH M. BHANSALI
Vice Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Goldiam International Limited
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Goldiam International Limited for the year ended on March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

PULINDRA M. PATEL
Proprietor
Membership No. 48991

Place: Mumbai
Date: 24th May, 2013

AUDITORS' REPORT

TO THE MEMBERS OF GOLDIAM INTERNATIONAL LIMITED

Report on the Financial Statements

We have audited the attached Balance Sheet of GOLDIAM INTERNATIONAL LIMITED as at 31st March, 2013 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date.

Managements 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 the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). 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.

Auditors' Responsibility

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

An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that 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 said accounts together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;

- c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as 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: 24th May, 2013

Annexure

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

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

system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under Section 301 of the Act, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system commensurate with the size and nature of its business.
8. We have 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	13,696,775/-	1997-98	Bombay High Court

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

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

(Pulindra M. Patel)
Proprietor
Membership No. 48991

Place: Mumbai
Date: 24th May, 2013

Goldiam International Limited

BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes No.		As at 31.03.2013	(₹ in Lakhs) As at 31.03.2012
I) EQUITY & LIABILITIES :				
1) SHAREHOLDERS' FUNDS :				
a) SHARE CAPITAL	1	2,494.60		2,494.60
b) RESERVES AND SURPLUS	2	14,165.01		13,751.72
c) MONEY RECEIVED AGAINST SHARE WARRANTS		—		—
			16,659.61	16,246.32
2) SHARE APPLICATION MONEY PENDING ALLOTMENT				
3) NON-CURRENT LIABILITIES				
a) LONG - TERM BORROWINGS		—		—
b) DEFERRED TAX LIABILITY (NET)	3	95.17		—
c) OTHER LONG TERM LIABILITIES		—		—
d) LONG - TERM PROVISIONS		—		—
			95.17	—
4) CURRENT LIABILITIES				
a) SHORT TERM BORROWINGS	4	5,294.87		2,074.90
b) TRADE PAYABLES	5	2,378.56		2,299.25
c) OTHER CURRENT LIABILITIES	6	267.87		62.55
d) SHORT - TERM PROVISIONS	7	265.48		150.12
			8,206.78	4,586.82
TOTAL			24,961.56	20,833.14
II) ASSETS :				
1) NON - CURRENT ASSETS				
a) FIXED ASSETS				
i) TANGIBLE ASSETS	8	1,954.99		942.78
ii) INTANGIBLE ASSETS		—		—
iii) CAPITAL WORK - IN - PROGRESS		14.86		—
iv) INTANGIBLE ASSETS UNDER DEVELOPMENT		—		—
b) NON - CURRENT INVESTMENT	9	2,753.10		3,194.98
c) DEFERRED TAX ASSETS (NET)	3	—		75.63
d) LONG - TERM LOANS & ADVANCES	10	22.81		20.34
e) OTHER NON - CURRENT ASSETS		—		—
			4,745.77	4,233.73
2) CURRENT ASSETS				
a) CURRENT INVESTMENT	11	8,032.51		6,245.01
b) INVENTORIES	12	3,364.98		2,787.82
c) TRADE RECEIVABLES	13	6,976.01		5,567.33
d) CASH & BANK BALANCE	14	1,270.12		1,432.82
e) SHORT - TERM LOANS & ADVANCES	15	572.18		566.42
f) OTHER CURRENT ASSETS		—		—
			20,215.80	16,599.40
TOTAL			24,961.56	20,833.14

SIGNIFICANT ACCOUNTING POLICIES

NOTES ON FINANCIAL STATEMENTS

1 to 44

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
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	Notes No.	Current Year	(₹ in Lakhs) Previous Year
I) REVENUE FROM OPERATIONS	16	9,745.77	9,159.83
II) OTHER INCOME	17	451.34	668.50
III) TOTAL REVENUE (I+II)		10,197.12	9,828.33
IV) EXPENSES :-			
COST OF MATERIALS CONSUMED	18	7,191.80	6,785.75
PURCHASE OF STOCK IN TRADE		589.37	984.03
CHANGES IN INVENTORIES OF FINISHED GOODS			
WORK-IN-PROGRESS AND STOCK-IN-TRADE	19	5.71	(17.02)
EMPLOYEE BENEFITS EXPENSES	20	156.48	143.75
FINANCE COSTS	21	70.97	63.67
DEPRECIATION, AMORTISATION AND IMPAIRMENT	8	137.98	134.68
OTHER EXPENSES	22	947.62	651.29
TOTAL EXPENSES		9,099.93	8,746.14
V) PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		1,097.19	1,082.19
VI) EXCEPTIONAL ITEMS	23	180.33	—
VII) PROFIT BEFORE TAX (V-VI)		1,277.52	1,082.19
VIII) TAX EXPENSES			
– CURRENT TAX & PRIOR YEAR		257.58	197.79
– DEFERRED TAX LIABILITY		170.80	32.21
IX) PROFIT/(LOSS) FOR THE PERIOD		849.15	852.19
X) EARNINGS PER EQUITY SHARE (Face Value ₹10) :			
Basic		3.40	3.42
Diluted		3.40	3.42

**SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS**

1 to 44

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
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

Goldiam International Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(₹ in Lakhs)	
	2012-13	2011-12
A) CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1,277.52	1,082.19
ADJUSTMENT FOR :		
Depreciation, Amortisation and Impairment	137.98	134.68
(Profit)/Loss on sale of Investment (Net)	(210.65)	(327.36)
Net unrealised foreign exchange (gain)/loss	534.44	(457.76)
Revaluation Loss on Investments	19.80	(5.22)
(Profit)/Loss on sale of Assets	(180.33)	(0.37)
Dividend received	(50.00)	(156.54)
(Short)/Excess Provision for taxation written off	—	9.19
Interest Income	(84.94)	(113.63)
Finance Cost	70.97	63.67
	<u>237.27</u>	<u>(853.33)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,514.79	228.85
ADJUSTMENT FOR :		
Trade receivable and other loans	(1,891.24)	(700.78)
Inventories	(577.15)	381.65
Trade Payable and other liabilities	271.42	937.62
	<u>(2,196.97)</u>	<u>618.50</u>
CASH GENERATED FROM OPERATIONS	(682.18)	847.35
Income Tax Paid (net)	(182.51)	(196.09)
	<u>(182.51)</u>	<u>(196.09)</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(864.69)	651.26
NET CASH FROM OPERATING ACTIVITIES	(864.69)	651.26
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,486.30)	(142.90)
Sale of Fixed Assets	755.70	14.89
Purchase of Investments	(14,897.18)	(11,502.53)
Purchase of Investments in Subsidiary	—	(122.67)
Sale of Investments	13,304.72	11,140.23
Sale of Investments in Subsidiary	183.58	—
Interest received	84.94	113.63
Dividend received	50.00	156.54
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(2,004.55)	(342.82)
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Short Term Borrowing	3,176.79	1,214.92
Finance Cost	(70.97)	(63.67)
Dividend paid	(349.24)	(274.41)
Tax on dividend	(56.66)	(44.52)
NET CASH USED IN FINANCING ACTIVITIES	2,699.92	832.33
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(169.31)	1,140.78
CASH AND CASH EQUIVALENTS AS AT 01.04.2012	1,432.41	291.63
CASH AND CASH EQUIVALENTS AS AT 31.03.2013	1,263.10	1,432.41

As per our report of even date

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

Pulindra M. Patel
Proprietor
Membership No. 048991

Place : Mumbai
Date : 24th May, 2013

For and on behalf of the Board

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman & Mg. Director

Rashesh M. Bhansali
Vice Chairman & Mg. Director

Place : Mumbai
Date : 24th May, 2013

SIGNIFICANT ACCOUNTING POLICIES:

A) BASIS OF PREPARATION OF ACCOUNTS :

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

B) USE OF ESTIMATES :

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

C) FIXED ASSETS :

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

D) IMPAIRMENT OF ASSETS :

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

E) DEPRECIATION :

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

F) INVESTMENTS :

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

G) INVENTORIES :

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

H) FOREIGN CURRENCY TRANSACTIONS :

- 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 and options to hedge its exposure to movements in foreign exchange rates. These foreign exchange forward contracts and options are not used for trading or speculation purpose. Any profit or loss arising on cancellation or renewal of foreign exchange forward contracts is recognised as income or expense for the year. In respect of foreign currency option contracts which are entered into to hedge highly probable forecasted transactions, the cost of these contracts, if any, is expensed over the period of the contract. Any profit or loss arising on settlement or cancellation of currency options is recognised as income or expense for the period in which settlement or cancellation takes place. The effect of these currency option contracts outstanding at the year-end, in the form of unrealised gains/losses, is recognised.

I) RECOGNITION OF INCOME AND EXPENDITURE :

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

SALES :

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

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

DIVIDEND :

Revenue is recognised when the right to receive is established.

INTEREST :

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

J) EMPLOYEE BENEFITS :

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. The current tax charge for the Company includes Minimum Alternate Tax (MAT) determined under section 115JB of the Income Tax Act, 1961.

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

P) SEGMENT REPORTING :

Identification of Segment

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

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

O) PROVISIONS/ CONTINGENCIES :

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1 SHARE CAPITAL :

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2013	31.03.2012
AUTHORISED CAPITAL		
31000000 Equity Shares of ₹10/- each (Previous year 31000000 Equity Shares of ₹10/- each)	3,100.00	3,100.00
	3,100.00	3,100.00
Issued Capital		
24945996 Equity Shares of ₹10/- each (Previous Year 24945996 Equity Shares of ₹10/- each.)	2,494.60	2,494.60
	2,494.60	2,494.60
Subscribed and Paid up Capital		
24945996 Equity Shares of ₹10/- each (Previous Year 24945996 Equity Shares of ₹10/- each)	2,494.60	2,494.60
TOTAL	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
Equity shares with voting rights :		
At the beginning of the year		
– Number of shares	24945996	24945996
– Amount (₹) in lakhs	2,494.60	2,494.60
Add : Addition during the year :		
– Number of shares	—	—
– Amount (₹) in lakhs	—	—
Less : Deduction During the year :		
– Number of shares	—	—
– Amount (₹) in lakhs	—	—
Year ended 31 March, 2013 :		
– Number of shares	24945996	24945996
– Amount (₹) in lakhs	2,494.60	2,494.60
Year ended 31 March, 2012		
– 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 st March, 2013		As at 31 st March, 2012	
	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	5703638	22.86%	5600000	22.45%
M/s Diajewel N.V.	2700000	10.82%	2700000	10.82%
Equity shares with differential voting rights	—	—	—	—

Annual Report 2012-2013

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:

Aggregate number of shares

Particulars	As at 31.03.2013	As at 31.03.2012
<u>Equity shares with voting rights</u>		
Fully paid up pursuant to contract(s) without payment being received in cash	—	—
Fully paid up by way of bonus shares	—	—
Shares bought back	—	2086804
<u>Equity shares with differential voting rights</u>		
Fully paid up pursuant to contract(s) without payment being received in cash	—	—
Fully paid up by way of bonus shares	—	—
Shares bought back	—	—
2 RESERVES AND SURPLUS :		(₹ in Lakhs)
1. Capital Redemption Reserve :		
As per last Balance Sheet	208.68	208.68
2. Capital Reserve Account		
As per last Balance Sheet	479.70	479.70
3. General Reserve		
As per last Balance Sheet	4,980.38	4,925.38
Add: Transferred from Profit & Loss Account	50.00	55.00
	5,030.38	4,980.38
4. Surplus in the Statement of Profit & Loss Account		
As per last Balance Sheet	8,082.96	7,720.66
Add : Net Profit after tax transferred from Statement of Profit & Loss	849.15	852.19
	8,932.10	8,572.85
Less: Appropriations		
– Transferred to General Reserve	50.00	55.00
– Interim Dividend	249.46	274.41
– Proposed Dividend	124.73	99.78
– Tax on Interim Dividend	40.47	44.52
– Tax on Proposed Dividend	21.20	16.19
Amount available for appropriation	8,446.25	8,082.96
TOTAL	14,165.01	13,751.72
3 DEFERRED TAXES :		
Deferred Tax Liabilities :		
i) relating to Depreciation, amortisation and Impairment	108.18	—
	108.18	—
Less : Deferred Tax Assets :		
i) relating to Employee Benefits & Provision thereof	13.02	48.79
ii) relating to Depreciation, amortisation and Impairment	—	26.84
	13.02	75.63
TOTAL	95.17	75.63
4 SHORT TERM BORROWINGS :		
(a) Loans repayable on demand :		
Form Banks		
– Secured		
Preshipment Credit in Foreign Currency with YES Bank Ltd	2,007.55	—
Post Shipment Credit in Foreign Currency with YES Bank Ltd	—	144.50
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.	1,670.90	358.61
Post Shipment Credit in Foreign Currency with CITI Bank N.A.	99.62	1,571.80
4.02 (Secured by Pledge in investments in Fixed Monthly Plans (FMP) and other debt mutual fund through Citi Bank N.A.)		
1615331.363 Units of Birla Sunlife Dynamic Bond Fund-Retail-Growth-Regular Plan		
203800.471 Units of Birla Sunlife Income Plus-Growth-Regular Plan		
1000000.000 Units of HDFC FMP 372D July 2012 (1)-Growth		
1386596.513 Units of IDFC Super Saver Income Fund-Short Term Plan-Growth-Regular Plan		

Goldiam International Limited

		(₹ in Lakhs)	
Particulars	As at 31.03.2013	As at 31.03.2012	
7000000.000 Units of Reliance Fixed Horizon Fund-XXII-Series 7-Growth Plan			
2745131.681 Units of Reliance Income Fund-Growth Plan-Bonus Option			
5376231.519 Units of Templeton India Low Duration Fund-Growth			
1700.675 Units of Templeton India Short Term Income Retail Plan-Growth			
Preshipment Credit in Foreign Currency with HSBC Bank	1,516.80	—	
4.03 (Secured by Pledge in investments in other debt mutual funds through HSBC Bank)			
2526145.607 Units of Birla Sunlife Dynamic Bond Fund-Retail-Growth-Regular Plan			
331309.830 Units of ICICI Prudential Flexible Income-Regular Plan-Growth			
2093258.869 Units of ICICI Prudential Short Term-Regular Plan-Growth Option			
TOTAL	<u>5,294.87</u>	<u>2,074.90</u>	
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	1.54% to 2.71%		July-13 to Feb-14
Post shipment credit in foreign currency	3.046%		Jul-13
7000000.000 Units of Reliance Fixed Horizon Fund-XXII-Series 7-Growth Plan			13.05.2013
5 TRADE PAYABLES :			
Due to Micro, Small and Medium Enterprises	15.64		27.02
Others	<u>2,362.93</u>		<u>2,272.23</u>
		<u>2,378.56</u>	<u>2,299.25</u>
TOTAL		<u>2,378.56</u>	<u>2,299.25</u>
6 OTHER CURRENT LIABILITIES :			
Other payables :			
a) Statutory dues payable		11.39	3.08
b) Payables on Purchase of Fixed Assets			
i) Dues of Micro, Medium & Small enterprises		0.16	0.51
ii) Others		—	—
c) Salaries due to director		10.12	3.33
d) Other liabilities (including Expenses and Others)		46.62	26.10
e) Trade / Security Deposits		0.50	0.50
f) Advance received from clients		192.06	28.63
g) Overdrawn balance with Banks		7.02	0.41
TOTAL		<u>267.87</u>	<u>62.55</u>
6.01 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES :			
i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		15.80	27.53
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 SHORT - TERM PROVISIONS :			
a) Provision - Others:			
i) Provision for tax (net of advance tax ₹ 137.30 lakhs as at 31 March, 2012 ₹ 342.71 lakhs)	116.25		30.14
ii) Provision for Leave Salary	1.16		2.01
iii) Proposed Dividend	124.73		99.78
iv) Provision for Tax on Proposed Dividend	21.20		16.19
v) Provision for Wealth Tax	2.14		2.00
		<u>265.48</u>	<u>150.12</u>
TOTAL		<u>265.48</u>	<u>150.12</u>

(₹ in Lakhs)

8 FIXED ASSETS :

Sr. Description No.	GROSSBLOCK				DEPRECIATION			NETBLOCK	
	Cost as on 01.04.2012	Addition	Deduction	Cost As on 31.03.2013	As on 01.04.2012	For the Year	Deduction	As on 31.03.2013	As on 31.03.2012
TANGIBLE ASSETS									
1	FACTORY BUILDING	313.33	—	—	313.33	6.03	—	259.09	60.27
2	OFFICE PREMISES	646.56	1,371.40	370.93	1,647.02	36.84	107.29	1,569.00	419.21
3	FURNITURE & FIXTURE	365.51	—	98.79	266.73	12.45	66.38	224.77	86.81
4	OFFICE EQUIPMENT	62.71	0.25	—	62.96	2.57	—	46.89	18.39
5	PLANT & MACH.								
	A) MACHINERY	464.04	19.92	—	483.96	27.12	—	327.03	164.12
	B) COMPUTERS	171.91	1.55	—	173.46	8.36	—	160.46	19.81
	C) AIR CONDITIONER	62.74	—	—	62.74	1.83	—	51.39	13.17
	D) LIFT	16.94	—	—	16.94	0.21	—	15.65	1.49
	E) ELECTRICAL INST.	140.79	—	16.39	124.40	2.76	9.57	110.44	23.53
6	VEHICLES	240.26	78.33	50.80	267.78	39.81	32.42	111.68	135.97
	TOTAL	2,484.78	1,471.44	536.90	3,419.31	137.98	215.65	1,464.32	942.78
	PREVIOUS YEAR	2,402.63	142.90	60.76	2,484.78	134.68	46.32	1,541.99	942.78

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

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9 NON - CURRENT INVESTMENTS :

(₹ in Lakhs)

Particulars	No. of Shares	Face Value	As at 31.03.2013	No. of Shares	As at 31.03.2012
(Long Term Investments)					
TRADE:					
In Equity Shares of Subsidiary Company - Unquoted, fully paid up					
1) Diagold Designs Limited	2039658	10	468.39	2039658	468.39
2) Goldiam Jewels Limited	—	10	—	2985000	437.69
3) Goldiam Jewellery Limited	1000000	10	100.00	1000000	100.00
4) Goldiam USA, Inc. (Face value of US\$ 0.01/- each)	200		72.00	200	72.00
OTHER THAN TRADE:					
In Equity Shares of Joint Venture Company - Unquoted, fully paid up					
Goldiam HK Limited (Face Value of HK\$ 1/- each)	5982725		327.78	5982725	327.78
In Equity Shares - Unquoted, fully paid up					
1) Sip Technologies Limited	1891	10	0.19	1891	0.19
OTHER THAN TRADE:					
In Equity Shares - Quoted, fully paid up					
1) Classic Diamonds (I) Ltd	5	2	0.00	5	0.00
2) Reliable Ventures Ltd	50000	10	5.70	50000	7.45
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 from Suraj Diamonds & Jewellery Ltd					
In Redeemable Preference Shares - Unquoted, fully paid					
K.S.Realty Construction Private Limited	—	10	—	2,750	0.28
In Units of Mutual Fund - Quoted, fully paid up					
1) IDFC Fixed Maturity Plan Thirteen Months Series 7 - Growth	2199990.000	10	220.00	2199990.000	220.00
2) Reliance Fixed Horizon Fund XXI - Series 18 - Growth Plan	1750000.000	10	175.00	1750000.000	175.00
In Bond - Quoted, fully paid up					
1) 8.20% Tax Free National Highways Authority of India 10Years Bond	7417	1,000	74.17	7417	74.17
2) 8.10% Tax Free Housing and Urban Development Corporation Limited 10 Yrs Bond	22676	1,000	226.76	22676	226.76
In Debentures - Quoted, fully paid up					
1) Deutsche Investment India Pvt Ltd - NCD series 33 04March2014	—	100,000	—	100	88.71
2) Deutsche Investments India Pvt Ltd SR-GE 0122 BR NCD 15 April 14	250	100,000	250.00	250	242.37
In Debentures - Unquoted, fully paid up					
1) Mantri Mansion Private Limited - 18 NCD 17 July 2014	2,500,000		100.00	—	—
In Others					
1) Kotak Alternate Opportunities (India) Fund			337.62		403.71
2) Kotak India Real Estate Fund - IV	19448.500	1,000	194.49	7448.500	74.49
3) Kshitij Venture Capital Fund (Previous Year Face Value ₹ 920)	30000.000	670	201.00	30000.000	276.00
TOTAL			2,753.10		3,194.98
Aggregate amount of quoted investments			951.63		1,034.46
Aggregate market value of listed and quoted investments			1,026.24		1,037.70
Aggregate value of listed but not quoted investments			—		—
Aggregate amount of unquoted investments			1,801.47		2,160.52

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10 LONG - TERM LOANS & ADVANCES :

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Security deposits		
Secured, considered good	—	—
Unsecured, considered good	22.81	20.34
Doubtful	—	—
TOTAL	22.81	20.34

11 CURRENT INVESTMENTS :

(₹ in Lakhs)

Particulars	No. of Shares	Face Value	As at 31.03.2013	No. of Shares	As at 31.03.2012
In Units of Mutual Fund - Quoted fully paid up	No. of Units			No. of Units	
Benchmark Mutual Fund Liquid Bees	—	1,000	—	0.0169	0.00
In Debentures - Quoted, fully paid up	No. of Debentures			No. of Debentures	
1) Deutsche Investments India Pvt Ltd SR-GE 0146 BR NCD 12 Nov 12	—	100,000	—	150	150.00
In Units of Mutual Fund - Quoted	No. of Units			No. of Units	
1) Birla Sun Life Fixed Term Plan Series FD - Growth	2762498.000	10	276.25	—	—
2) Birla Sun Life Fixed Term Plan Series FL - Growth	500000.000	10	50.00	—	—
3) Birla Sunlife Fixed Term Plan Series CX - Growth	—	10	—	2513848.000	251.38
4) DSP Blackrock FMP 13M Series 04 - Growth	—	10	—	500000.000	50.00
5) DSP Black Rock FMP 12M Series 24 - Growth	—	10	—	1700000.000	170.00
6) DSP Black Rock FMP - 12M Series 25 - Growth	—	10	—	750000.000	75.00
7) DWS Fixed Term Fund - Series 85 - Growth	—	10	—	2500000.000	250.00
8) HDFC FMP 372D July 2012 (1) - Growth	1000000.000	10	100.00	—	—
9) HSBC Fixed Term Series 83-Growth-Tenure 370 Days	—	10	—	1500000.000	150.00
10) ICICI Prudential FMP Series 54 - 1 Year Plan A Cumulative	—	10	—	5000000.000	500.00
11) ICICI Prudential Fixed Maturity Plan Series 56 - 1 Year Plan F Cumulative	—	10	—	1501674.000	150.17
12) ICICI Prudential FMP Series 57 - 1 Year Plan B Cumulative	—	10	—	500000.000	50.00
13) ICICI Prudential Fixed Maturity Plan - Series 63 - 1 Year Plan B - Growth	—	10	—	4500000.000	450.00
14) IDFC FMP Yearly Series 67 - Growth	—	10	—	3003810.607	300.38
15) Reliance Fixed Horizon Fund - XXII - Series 7 - Growth Plan	7000000.000	10	700.00	—	—
16) Sundaram Fixed Term Plan BC 366 Days Growth	—	10	—	2000000.000	200.00
17) TATA Fixed Maturity Plan Series 34 Scheme C Growth	—	10	—	500199.000	50.02

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(₹ in Lakhs)					
Particulars	No. of Shares	Face Value	As at 31.03.2013	No. of Shares	As at 31.03.2012
In Units of Mutual Fund - quoted		No. of Units		No. of Units	
1) Birla Sun Life Dynamic Bond Fund - Retail - Growth	5405009.402	10	1,044.00	—	—
2) Birla Sun Life Income Plus - Growth	203800.471	10	100.00	—	—
3) DWS Treasury Fund-Investment-Regular Plan-Growth	4649432.769	10	600.00	—	—
4) HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend - Reinvest	—	10	—	9837014.166	986.80
5) HDFC Equity Fund - Growth	—	10	—	46777.323	122.40
6) HDFC High Interest Fund - Short Term Plan - Growth	656541.340	10	150.00	—	—
7) HDFC Top 200 Fund - Dividend - Payout	—	10	—	38482.331	75.00
8) ICICI Prudential Flexible Income - Regular Plan - Growth	331309.830	10	725.00	—	—
9) ICICI Prudential Short Term - Regular Plan - Growth Option	6064388.355	10	1,430.00	—	—
10) IDFC Super Saver Income Fund - Short Term Plan - Growth	1386596.513	10	331.00	—	—
11) Kotak Bond Scheme Plan A Growth	308011.692	10	100.00	—	—
12) Motilal Oswal Most 10 Year Gilt Fund - Growth	500000.000	10	50.00	500000.000	50.00
13) Reliance Income Fund-Growth Plan-Bonus Option**	4317206.534	10	62.93	—	—
14) Templeton India Cash Management Account - Growth Plan	3197443.007	10	609.07	761933.293	135.67
15) Templeton India Low Duration Fund - Growth	7748096.000	10	970.00	6725351.414	762.00
16) Templeton India Short Term Income Retail Plan - Growth	24929.237	1,000	541.88	12110.561	255.19
17) Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment	—	1,000	—	31578.935	362.74
18) Templeton India Ultra Short Bond Fund - Super Institutional Plan Growth	—	10	—	3557742.646	477.83
** Received 3763986.795 Units as Bonus Units @3 units for every 5 units held from Reliance Income Fund					
In Debentures - Unquoted, fully paid up					
1) Zero Coupon NCD of Mannapuram Finance Limited	—	1,000,000	—	25	220.43
2) Zero Coupon NCD Series 4 Manappuram Finance Limited	22	1,000,000	192.38	—	—
TOTAL			8,032.51		6,245.01
Aggregate amount of quoted investments			7,840.13		6,024.58
Aggregate market value of listed and quoted investments			8,499.03		6,227.08
Aggregate value of listed but not quoted investments			—		—
Aggregate amount of unquoted investments			192.38		220.43

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12 INVENTORIES :

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
As taken, valued & certified by the Management		
i) Raw Materials	2,672.14	2,089.22
ii) Stock in Process	97.92	117.41
iii) Finished Goods	580.20	566.43
iv) Stock of Consumable Stores & Spare parts (at cost)	14.71	14.77
	<u>3,364.98</u>	<u>2,787.82</u>
TOTAL	<u>3,364.98</u>	<u>2,787.82</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	84.90	5.38
ii) Considered doubtful	—	—
Other Debts		
i) Considered good	6,891.11	5,561.95
ii) Considered doubtful	—	—
	<u>6,976.01</u>	<u>5,567.33</u>
TOTAL	<u>6,976.01</u>	<u>5,567.33</u>

14 CASH & BANK BALANCE :

Cash On Hand	18.33	21.49
Balance with Banks in		
– Current Account	930.14	631.45
– EEFC Account	319.99	778.36
– Fixed Deposit with Banks	1.66	1.53
	<u>1,270.12</u>	<u>1,432.82</u>
TOTAL	<u>1,270.12</u>	<u>1,432.82</u>

15 SHORT TERM LOANS & ADVANCES :

(Advances recoverable in cash or in kind or for value to be received)

i) Prepaid Expenses	6.98	36.96
ii) Balances with government authorities :		
Vat Credit Receivable	77.24	40.59
Inter Corporate Deposits	155.00	255.00
iii) Other Loans and Advances :		
Unsecured, considered good	274.94	224.64
Unsecured, considered good Capital Items	37.61	—
iv) Advance Tax (Net of Provision for Taxes)	20.41	9.23
TOTAL	<u>572.18</u>	<u>566.42</u>

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16 REVENUE FROM OPERATIONS :

(₹ in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Operating Income :		
a) Manufactured goods	9,104.86	8,175.80
b) Traded goods	641.13	984.03
	9,745.99	9,159.83
Less : Vat	0.21	—
	9,745.77	9,159.83
TOTAL	9,745.77	9,159.83

16.01 Sale of products comprises :

a) Manufactured goods

i) Sales of Gold Jewellery	8,877.45	8,013.73
ii) Sales of Silver Jewellery	227.41	157.48
iii) Sales of Other Misc. Products	—	4.58
	9,104.86	8,175.80

b) Traded goods

i) Sales of Cut & Polished Diamond	640.81	980.94
ii) Sales of Colour stones	0.32	0.40
iii) Sales of Alloy	—	2.07
iv) Sales of findings	—	0.62
	641.13	984.03

17 OTHER INCOME :

a) Interest received	84.94	113.63
b) Bad Debts Recovered	81.32	—
c) Dividend on Shares and Units of Mutual Funds	50.00	156.57
d) Commission received	19.89	1.90
e) Debit / Credit Balance written off	—	0.43
f) Profit on sale of Current & Non Current Investments (net)	210.65	327.36
g) Profit on sale of fixed assets	—	0.37
h) Rent Income	—	37.28
i) Dividend on shares	—	0.03
j) Net gain on foreign currency transaction and translation	—	30.66
k) Miscellaneous Income	4.21	0.27
l) Sale of Scrap	0.34	—
TOTAL	451.34	668.50

18 RAW MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Opening Stock	2,089.22	2,489.98
Add: Purchases		
a) Gold	2,580.27	2,094.67
b) Cut & Polished Diamonds	5,142.31	4,060.53
c) Platinum	0.12	0.13
d) Gold Findings	24.82	40.41
e) Alloy	16.03	19.09
f) Colour Stone	2.10	14.31
g) Silver Models	4.30	36.36
h) Silver Findings	4.78	2.85
i) Semi Finished Gold Jewellery	—	106.90
j) Trade Designs	—	9.72
	9,863.94	8,874.96
Less : Closing Stock	2,672.14	2,089.22
TOTAL	7,191.80	6,785.75

18.01 RAW MATERIALS CONSUMED COMPRISE :

a) Gold	2,501.28	2,013.07
b) Cut & Polished Diamonds	4,597.18	4,528.29
c) Platinum	0.11	—
d) Gold Findings	25.30	32.86
e) Alloy	16.30	10.55
f) Colour Stone	16.66	11.30
g) Silver Models	15.81	53.74
h) Silver Findings	4.75	3.10
i) Semi Finished Gold Jewellery	—	106.90
j) Trade Designs	14.42	25.93

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	
	2012-13	2011-12	2012-13	2011-12
Raw Materials				
a) Imported	3,045.85	3,129.23	42.35%	43.75%
b) Indigenous	4,145.95	3,656.52	57.65%	56.25%

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

Inventories at the end of the year

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

Inventories at the beginning of the year

a) Finished Goods	566.43	666.81
b) Stock in Process	117.41	—
	683.83	666.81

TOTAL

5.71	(17.02)
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20 EMPLOYEE BENEFITS EXPENSES :

(₹ in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
a) Salaries, Wages, Bonus & Ex-gratia	144.58	132.15
b) Contribution to E.S.I.C.	1.06	1.14
c) Contribution to Provident Fund	1.81	2.16
d) Contribution to Group Gratuity Scheme	(0.25)	0.81
e) Workmen & Staff Welfare expenses	9.27	7.49
TOTAL	156.48	143.75

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 ₹ 1.81 lakhs (Previous year ₹ 0.52 lakhs), ESIC and Labour Welfare Fund includes ₹ 1.06 lakhs (Previous year ₹ 1.14 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 31.03.2013	Funded 31.03.2012	Non Funded 31.03.2013	Non Funded 31.03.2012
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present Value of obligation as at the beginning of the year	2.91	2.11	2.01	2.28
Current service cost	1.03	1.02	1.48	1.12
Interest cost	0.23	0.16	0.11	0.09
Actuarial (gain) / loss	(1.21)	(0.39)	(0.87)	0.87
Benefits paid	—	—	(1.56)	(2.35)
Present Value of obligation as at the end of the year	<u>2.96</u>	<u>2.90</u>	<u>1.16</u>	<u>2.01</u>
Change in Plan Assets				
Plan assets at period beginning, at fair value	4.20	3.10	—	—
Expected return on plan assets	0.34	0.25	—	—
Actuarial (gain) / loss	0.04	0.04	—	—
Contributions	—	0.81	1.56	2.35
Benefits paid	—	—	(1.56)	(2.35)
Plan assets at period end 2013, at fair value	<u>4.58</u>	<u>4.20</u>	<u>—</u>	<u>—</u>

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(₹ in Lakhs)

Assumptions	Gratuity		Leave Encashment	
	Funded 31.03.2013	Funded 31.03.2012	Non Funded 31.03.2013	Non Funded 31.03.2012
Fair Value of Plan Assets				
Fair Value of plan assets at the beginning of the year	4.20	3.10	—	—
Actual return on plan assets	0.38	0.29	—	—
Contributions	—	0.81	2.35	—
Benefits paid	—	—	(1.56)	2.35
Fair Value of plan assets at the end of the year	4.58	4.20	—	—
Funded status	1.62	1.30	(1.16)	(2.01)
Excess of Actual over estimated return	NIL	NIL	—	—

The amounts to be recognized in the Balance Sheet and statements of Profit and Loss

Present value of obligations as at the end of year	2.96	2.91	—	—
Fair value of plan assets as at the end of the year	4.58	4.20	—	—
Funded status	1.62	1.30	(1.16)	(2.01)
Net asset/(liability) recognized in Balance Sheet	1.62	1.30	(1.16)	(2.01)

Expenses for the year

Current service cost	1.03	1.02	1.48	1.12
Interest cost on benefit obligation	0.23	0.17	0.11	0.09
Expected return on plan assets	(0.34)	(0.25)	—	—
Net actuarial (gain)/loss recognised in the year	(1.26)	(0.44)	(0.87)	0.87
Total expenses recognised in the P & L A/c	(0.33)	0.50	0.72	2.08

Assumptions	Gratuity		Leave Encashment	
	Funded 31.03.2013	Funded 31.03.2012	Non Funded 31.03.2013	Non Funded 31.03.2012
Discount Rate	8.05%	8.00%	8.05%	8.57%
Employee Turnover	5.00%	5.00%	2.00%	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 :

(₹ in Lakhs)

Particulars	For the	For the
	year ended 31.03.2013	year ended 31.03.2012
a) Interest on Bank Loan	65.94	50.89
b) Stamp Duty	5.03	12.78
TOTAL	70.97	63.67

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22 OTHER EXPENSES :

(₹ in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Stores & Spares	25.00	25.71
Power & Water	54.72	44.05
Repairs & Maintenance (Building)	1.75	3.54
Machinery & Electrical Repairs	2.92	4.04
Grooving Charges	—	1.20
Insurance (Building)	0.63	0.16
Other Manufacturing Expenses	180.91	90.18
Net loss on foreign currency transaction and translation	94.24	—
Insurance charges	1.46	1.80
Rent, Rates & Taxes	11.85	19.12
Repairs & Maintenance others	10.02	12.85
Commission on Sales	94.13	98.76
Advertisement	1.23	0.92
Travelling and Conveyance	28.12	45.08
Bank charges	20.78	14.84
Telephone charges	8.96	7.35
Printing & Stationery	7.45	6.20
Auditors' Remuneration	2.50	2.02
Donation	1.78	5.17
Vehicle expenses	13.82	14.10
Portfolio Management fees	0.13	7.14
Security Transaction Tax	0.56	0.59
Revaluation Loss on Investments	19.80	—
ECGC Premium	10.69	11.56
Exhibition Expenses	6.38	2.30
Discount to Customers	104.14	59.44
General Expenses	243.67	173.18
TOTAL	947.62	651.29

22.01 Consumable Stores & Spares :

(₹ in Lakhs)

Particulars	Amount in ₹		Percentage	
	2012-13	2011-12	2012-13	2011-12
a) Imported	10.85	16.13	43.40%	62.74%
b) Indigenous	14.15	9.58	56.60%	37.26%

23 EXCEPTIONAL ITEMS :

(₹ in Lakhs)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Profit on Sale of Office Premises	434.44	—
Less : Loss on sale of stake in subsidiary	254.11	—
TOTAL	180.33	—

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 ₹100.19 lakhs).
- b) The Municipal Corporation of Greater Mumbai has preferred an appeal in the High Court of Judicature at Bombay against the order of Small Causes Court rejecting the claim of Municipal Corporation of Greater Mumbai for an amount of ₹136.97 lakhs (Previous year ₹136.97 lakhs) on account of property tax.
- c) The Company has executed Bank Guarantee of ₹ 3250.00 lakhs (Previous year ₹ 2500.00 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 ₹ 267.42 lakhs (Previous year ₹Nil)

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 th September, 2012)
ii)	Associates	Goldiam HK Limited
		Temple Designs LLP
iii)	Key Management Personnel	Mr. Manhar R. Bhansali (Chairman & Managing Director)
		Mr. Rashesh M. Bhansali (Vice Chairman & Managing Director)

b) Transactions during the year with related parties:

(₹ in Lakhs)

Sr. No.	Nature of Transaction	Subsidiaries		Associates/ Joint Ventures		Key Management Personnel		Key Management Personnel of Subsidiary	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
i)	Payments to & provision for Directors' remuneration	—	—	—	—	46.66	39.71	—	—
ii)	Commission received	16.25	—	—	—	—	—	—	—
iii)	Guarantee given	750.00	500.00	—	—	—	—	—	—
iv)	Purchase of Investments	—	—	—	—	—	—	—	22.37
v)	Purchase of Fixed Assets	—	74.65	—	—	—	—	—	—
vi)	Sale of goods	3,290.04	3,053.75	—	2.26	—	—	—	—
vii)	Purchase of goods	448.17	339.82	45.70	24.71	—	—	—	—
I)	Outstanding Guarantee given as on 31 st March, 2013	3,250.00	2,500.00	—	—	—	—	—	—
II)	Outstanding Receivables as on 31 st March, 2013	2,856.58	2,114.04	—	—	—	—	—	—
III)	Outstanding Payables as on 31 st March, 2013	44.28	126.69	0.46	0.32	10.12	3.33	—	—

Goldiam International Limited

c) Disclosure in respect of Transactions with related parties during the year :													(₹ in Lakhs)	
Sr. No.	Nature of Transaction	Subsidiaries				Associates / Joint Ventures			Key Management Personnel		Key Management personnel of Subsidiary			
		Goldiam Jewellery Limited	Diagold Designs Limited	Goldiam Jewels Limited	Goldiam USA Inc.	Temple Designs LLP	Goldiam HK Limited	Rashesh M. Bhansali	Milan Mehta	Nirav Mehta	Nehal Mehta			
i)	Payments to & provision for Directors' remuneration	—	—	—	—	—	—	46.66 (39.71)	—	—	—	—		
ii)	Commission received	16.25	—	—	—	—	—	—	—	—	—	—		
iii)	Guarantee given	750.00 (500.00)	—	—	—	—	—	—	—	—	—	—		
iv)	Purchase of Investments	—	—	—	—	—	—	—	—	(9.87)	(6.25)	(6.25)		
v)	Purchase of fixed assets	—	—	—	—	(74.65)	—	—	—	—	—	—		
vi)	Sale of goods	351.06 (552.05)	0.06	—	2,938.92 (2,501.70)	—	—	(2.26)	—	—	—	—		
vii)	Purchase of goods	—	0.03 (0.14)	—	448.14 (139.13)	—	—	45.70 (24.71)	—	—	—	—		
I)	Outstanding Guarantee given as on 31 st March, 2013	3,250.00 (2,500.00)	—	—	—	—	—	—	—	—	—	—		
II)	Outstanding Receivables as on 31 st March, 2013	34.72 (55.00)	0.06	—	2,821.80 (2,059.04)	—	—	—	—	—	—	—		
III)	Outstanding Payables as on 31 st March, 2013	—	0.001	—	44.28 (126.69)	—	—	0.46 (0.32)	—	—	—	10.12 (3.33)		

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 :

Particulars	As at 31.03.2013	As at 31.03.2012
(₹ in Lakhs)		
Receivables :		
Goldiam HK Limited	—	—
Goldiam Jewellery Limited	34.72	55.00
Diagold Designs Limited	0.06	—
Goldiam USA, Inc.	2,821.80	2,059.04
Payables :		
Goldiam HK Limited	0.46	0.32
Goldiam Jewels Limited	—	126.69
Goldiam USA, Inc.	44.28	—
Diagold Designs Limited	—	0.001

29 EARNING PER SHARE :

PARTICULARS	2012-13	2011-12
Profit after Tax (₹ in Lakhs)	849.15	852.19
No. of shares outstanding	24945996	24945996
Weighted Average no. of shares + potential shares outstanding	24945996	24945996
Earning per share (Basic) (₹)	3.40	3.42
Earning per share (Diluted) (₹)	3.40	3.42

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 31.03.2013 (in percentage)	For the period ended 31.03.2012 (in percentage)
Goldiam HK Limited	Hong Kong	49.93%	49.93%

(₹ in Lakhs)

	For the year ended 31.03.2013	For the period ended 31.03.2012
Goldiam HK Limited		
Proportionate Reserves and Surplus as at the beginning of the year	(49.66)	(84.79)
Proportionate Transfer to Reserves	—	—
Proportionate Surplus/(Deficit) in Profit and Loss Account (net of transfer to reserves, dividend etc.)	34.52	35.13
Proportionate Reserves and Surplus as at the end of the year	(15.15)	(49.66)

Goldiam International Limited

(₹ in Lakhs)

Name of the Company & Country of Incorporation	Percentage of Shareholding %	As on 31.03.2013		For the year ended on 31.03.2013	
		Assets ₹	Liabilities ₹	Income ₹	Expenditure ₹
Goldiam HK Limited Hong Kong (Year Ended 31 st March, 2012)	49.93% (49.93%)	832.95 (737.84)	414.00 (364.44)	1,811.62 (795.98)	1,769.78 (760.86)

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

Contingent liabilities in respect of Joint Venture is ₹ Nil

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

(₹ in Lakhs)

PARTICULARS	MANAGING DIRECTORS	OTHER DIRECTORS	TOTAL 2012-13	TOTAL 2011-12
i) Salaries	36.00	—	36.00	36.00
ii) Perquisites	0.53	—	0.53	0.37
iii) Commission	10.12	—	10.12	3.33
iv) Sitting Fees	—	1.95	1.95	1.80
TOTAL	46.65	1.95	48.60	41.50

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

(₹ in Lakhs)

PARTICULARS	2012-13	2011-12
1 Raw Materials	3,642.49	3,345.90
2 Consumable Stores	10.73	15.22
3 Capital Goods	17.42	28.79

33 EXPENDITURE IN FOREIGN CURRENCY :

Foreign Travels	8.30	15.83
Other Expenses	20.12	19.32

34 REMITTANCE IN FOREIGN EXCHANGE CURRENCY ON ACCOUNT OF DIVIDEND:

Year to which Dividend relates	2012-13	2011-12
No. of Foreign Company	—	—
No. of shares on which remittances were made	2700000	2700000
Net Dividend (₹)	37.80	29.70

35 EARNINGS IN FOREIGN EXCHANGE:

F.O.B. Value of Exports	9,227.77	8,572.02
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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 31.03.2013				
	JEWELLERY	INVESTMENTS 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

(₹ in Lakhs)

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

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).

Goldiam International Limited

(ii) Secondary Segment Information :		(₹ in Lakhs)	
Particulars	2012-13	2011-12	
1. Segment Results :			
Within India	24.08	—	
Exports outside India	834.19	585.18	
Total Revenue	858.27	585.18	
2. Segment Assets :			
Within India	20.15	55.00	
Exports outside India	13,453.45	10,766.72	
Total Assets	13,473.61	10,821.72	
3. Segment Liabilities :			
Within India	—	—	
Exports outside India	7,941.30	4,347.13	
Total Liabilities	7,941.30	4,347.13	

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

38 During the year the company has sold its office premises at Dynasty Business Park, profit on sale of the said office premises of ₹ 434.34 lakhs has been reflected as an Exceptional Item in statement of Profit and Loss account.

39 During the current year under review the Company has disposed off its entire stake 2985000 equity shares of M/s. Goldiam Jewels Limited one of its subsidiary on 28th September, 2012 and incurred loss of ₹ 254.11 lakhs and the same has been reflected as an Exceptional Item in statement of Profit and Loss account.

40 FINANCIAL INSTRUMENTS / FORWARD CONTRACTS :

l) The Company has entered into following forward / derivative instruments :

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

40.01 Unhedged foreign currency exposure :

PARTICULARS	CURRENCY	31.03.2013		31.03.2012	
		₹ In Lakhs	₹ in Lakhs	₹ In Lakhs	₹ in Lakhs
Outstanding Receivables & Loan	US \$	\$ 130.89	6,976.01	32.82	1,679.13
Outstanding creditors for goods and spares	US \$	\$ 41.59	2,225.61	38.93	1,991.74
Exchange Earner's Foreign Currency a/c with Banks	US \$	\$ 5.99	319.99	15.21	778.36
Outstanding creditors for spares	€	€ 0.001	0.08	0.003	0.20
Packing credit in foreign currency with Bank	US \$	\$ 94.55	5,195.25	7.01	358.61
Post shipment credit in foreign currency with Bank	US \$	\$ 1.81	99.62	33.55	1,716.29

41 Salaries & wages include Directors' remuneration of ₹ 46.65 lakhs (Previous Year ₹ 39.70 lakhs)

42 REMUNERATION TO AUDITORS:

(₹ in Lakhs)

Particulars	2012-13	2011-12
As Auditors	2.35	1.92
Tax Audit Fees	0.15	0.10
TOTAL	2.50	2.02

43 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.

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

As per our report of even date.

For Pulindra Patel & Co.

Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel

Proprietor
Membership No. 048991

Place: Mumbai

Date : 24th May, 2013

Anita Kate

Company Secretary

Manhar R. Bhansali

Chairman & Mg. Director

Place: Mumbai

Date : 24th May, 2013

Rashesh M. Bhansali

Vice Chairman & Mg. Director

AUDITORS' REPORT

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

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, 2013, 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 principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). 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, 2013;
 - 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) ₹ 884.14 lakhs as at 31st March, 2013 and total net profit of ₹ 106.11 lakhs and cash flow amounting to ₹ 69.23 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

Place : Mumbai
Date : 24th May, 2013

Membership No. 48991

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

		Notes No.	As at 31.03.2013	(₹ in Lakhs) As at 31.03.2012
I) EQUITY & LIABILITIES :				
1) SHAREHOLDERS' FUNDS :				
a)	SHARE CAPITAL	1	2,494.60	2,494.60
b)	RESERVES AND SURPLUS	2	19,878.61	18,421.87
c)	MONEY RECEIVED AGAINST SHARE WARRANTS		—	—
			22,373.21	20,916.47
			1,377.03	1,375.73
2) MINORITY INTEREST				
3) NON-CURRENT LIABILITIES				
a)	LONG - TERM BORROWINGS		—	—
b)	DEFERRED TAX LIABILITY (NET)	3	109.81	—
c)	OTHER LONG TERM LIABILITIES		—	—
d)	LONG - TERM PROVISIONS		—	—
			109.81	—
4) CURRENT LIABILITIES				
a)	SHORT TERM BORROWINGS	4	9,963.03	6,943.71
b)	TRADE PAYABLES	5	6,384.73	5,499.79
c)	OTHER CURRENT LIABILITIES	6	508.98	226.68
d)	SHORT - TERM PROVISIONS	7	296.82	189.21
			17,153.56	12,859.39
TOTAL			41,013.61	35,151.60
II) ASSETS :				
1) NON - CURRENT ASSETS				
a)	FIXED ASSETS			
i)	TANGIBLE ASSETS	8	2,646.24	1,677.43
ii)	INTANGIBLE ASSETS		1.62	1.82
iii)	CAPITAL WORK - IN - PROGRESS		14.86	—
iv)	INTANGIBLE ASSETS UNDER DEVELOPMENT		—	—
b)	NON - CURRENT INVESTMENT	9	1,934.18	1,863.28
c)	DEFERRED TAX ASSETS (NET)	3	21.76	85.68
d)	LONG - TERM LOANS & ADVANCES	10	107.70	103.85
e)	OTHER NON - CURRENT ASSETS	11	2.92	4.15
			4,729.27	3,736.21
2) CURRENT ASSETS				
a)	CURRENT INVESTMENT	12	10,024.89	7,821.42
b)	INVENTORIES	13	11,004.38	9,742.66
c)	TRADE RECEIVABLES	14	12,471.81	10,430.14
d)	CASH & BANK BALANCE	15	1,892.06	2,483.75
e)	SHORT - TERM LOANS & ADVANCES	16	891.20	937.42
f)	OTHER CURRENT ASSETS		—	—
			36,284.34	31,415.39
TOTAL			41,013.61	35,151.60

**SIGNIFICANT ACCOUNTING POLICIES
NOTES TO ACCOUNTS**

1 to 41

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
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 48991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman

Rashesh M. Bhansali
Managing Director

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

Goldiam International Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	Notes No.	Current Year 31.03.2013	(₹ in Lakhs) Previous Year 31.03.2012
I) REVENUE FROM OPERATIONS	17	26,566.65	24,526.39
II) OTHER INCOME	18	519.92	798.51
III) TOTAL REVENUE (I+II)		<u>27,086.56</u>	<u>25,324.91</u>
IV) EXPENSES :-			
COST OF MATERIALS CONSUMED	19	20,648.86	18,038.95
PURCHASES OF STOCK-IN-TRADE		1,660.65	1,870.77
CHANGES IN INVENTORIES OF FINISHED GOODS			
WORK-IN-PROGRESS AND STOCK-IN-TRADE	20	(1,008.80)	222.62
EMPLOYEE BENEFITS EXPENSES	21	513.87	520.63
FINANCE COSTS	22	324.61	333.65
DEPRECIATION / AMORTISATION	8	205.26	209.52
OTHER EXPENSES	23	2,573.58	2,007.43
TOTAL EXPENSES		<u>24,918.03</u>	<u>23,203.58</u>
V) PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		2,168.53	2,121.32
VI) EXCEPTIONAL ITEMS	24	434.44	(72.96)
VII) PROFIT BEFORE TAX		<u>2,602.98</u>	<u>2,048.36</u>
VIII) TAX EXPENSES :			
1) CURRENT TAX		515.96	430.98
2) DEFERRED TAX		174.01	40.05
IX) PROFIT/(LOSS) FOR THE PERIOD FORM CONTINUING OPERATIONS		<u>1,913.00</u>	<u>1,577.34</u>
SHARE OF PROFIT/(LOSS) OF MINORITY INTEREST		46.87	54.36
PROFIT/(LOSS) ON DISPOSAL OF SUBSIDIARY		(0.17)	—
X) PROFIT/(LOSS) FOR THE PERIOD		<u>1,865.96</u>	<u>1,522.98</u>
XI) EARNINGS PER EQUITY SHARE (Face Value ₹ 10/-) :			
BASIC		7.48	6.11
DILUTED		7.48	6.11
SIGNIFICANT ACCOUNTING POLICIES NOTES TO ACCOUNTS	1 to 41		

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
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 48991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman

Rashesh M. Bhansali
Managing Director

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	2012-13	2011-12
(₹ in Lakhs)		
A) CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	2,602.98	2,048.36
ADJUSTMENT FOR :		
Depreciation (Notes 8)	205.26	209.52
(Profit)/Loss on sale of Investment (Net)	(236.16)	(354.77)
Revaluation Loss on Investment	19.80	—
(Profit)/Loss on sale of Assets	(437.34)	72.96
Dividend received	(30.49)	(156.94)
Miscellaneous expenditure written off	1.23	1.23
Share of Minority Interest	(45.58)	(179.57)
Adjustment for Change of Holding & Translation Reserves	36.36	(111.00)
Loss on Investment written off	—	72.96
Interest Income	(96.89)	(137.45)
Finance Cost	324.61	333.65
	<u>(259.20)</u>	<u>(249.42)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,343.78	1,798.94
ADJUSTMENT FOR :		
Trade and other Receivable	(1,982.00)	(456.47)
Inventories	(1,261.72)	(19.52)
Trade Payable	1,187.21	1,251.82
	<u>(2,056.51)</u>	<u>775.83</u>
CASH GENERATED FROM OPERATIONS	287.27	2,574.77
Direct Tax Paid (net)	(454.42)	(406.96)
	<u>(454.42)</u>	<u>(406.96)</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(167.16)	2,167.82
NET CASH FROM OPERATING ACTIVITIES	(167.16)	2,167.82
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,514.87)	(115.87)
Sale of Fixed Assets	763.48	91.93
Purchase of Investments	(17,863.38)	(14,502.45)
Sale of Investments	15,621.81	12,517.48
Sale of Investments in Subsidiary	183.58	—
Interest received	96.89	137.45
Dividend received	30.49	156.94
	<u>(2,682.01)</u>	<u>(1,714.52)</u>
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(2,682.01)	(1,714.52)
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) of Long Term Borrowing	3,019.32	1,976.84
Finance Cost	(324.61)	(333.65)
Dividend paid	(415.63)	(274.41)
	<u>2,279.08</u>	<u>1,368.79</u>
NET CASH USED IN FINANCING ACTIVITIES	2,279.08	1,368.79
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(570.08)	1,822.09
CASH AND CASH EQUIVALENTS AS AT 01.04.2012	2,455.12	633.02
CASH AND CASH EQUIVALENTS AS AT 31.03.2013	1,885.04	2,455.12

As per our report of even date.

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

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 048991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman

Rashesh M. Bhansali
Managing Director

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

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

SIGNIFICANT ACCOUNTING POLICIES :

A NATURE OF OPERATIONS :

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

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

B BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

- i)
 - a) The financial statements have been prepared in compliance with all material aspects with Accounting Standard notified by Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable.
 - b) The financial statements are based on historical cost convention and are prepared on accrual basis.
 - c) Accounting Policies have been consistently applied by the Group and are consistent with those used in the previous year.
 - d) The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.
- ii) These consolidated financial statements have been prepared and presented under the historical cost convention, except as disclosed in the financial statements, on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standard (AS)-21 "Consolidated Financial Statements" and Accounting Standard (AS)- 27 "Financial Reporting of Interests in Joint Ventures" in consolidated financial statements to the extent applicable.
- iii) The financial statements are prepared under historical cost convention, on accrual basis, and have been prepared in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India. The accounting policies have been consistently applied by the Group unless otherwise stated.
- iv) In preparing Group's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period; actual results could differ from those estimates.
- v) The financial statements of the Company, its subsidiaries and Joint Ventures are drawn up to the same reporting date i.e. 31st March, 2013.

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 31st March, 2007 at replacement values. Difference in replacement value and historical cost has been transferred to Revaluation Reserve account of the subsidiary in that year. No depreciation has been charged on revalued asset as the revaluation is with respect to Land.

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 in respect of Goldiam Jewels Limited is provided on Straight-line method. Depreciation on assets in Limited Liability Partnership firm (Temple Designs LLP) is provided as allowable under Income Tax Act, 1961. The effect of the same is not significant in the consolidated financial statement.

iii) IMPAIRMENT OF ASSETS :

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.

xiv) MISCELLANEOUS EXPENDITURES :

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

CONSOLIDATED NOTES TO BALANCE SHEET AS ON 31ST MARCH, 2013

1 SHARE CAPITAL :

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
AUTHORISED CAPITAL		
31000000 Equity Shares of ₹10/- each	3,100.00	3,100.00
(Previous year 31000000 Equity Shares of ₹10/- each)	<u>3,100.00</u>	<u>3,100.00</u>
Issued capital		
24945996 Equity Shares of ₹10/- each	2,494.60	2,494.60
(Previous year 24945996 Equity Shares of ₹10/- each)	<u>2,494.60</u>	<u>2,494.60</u>
Subscribed and Paid up Capital		
24945996 Equity Shares of ₹10/- each	2,494.60	2,494.60
(Previous year 24945996 Equity Shares of ₹10/- each)	<u>2,494.60</u>	<u>2,494.60</u>
TOTAL	<u><u>2,494.60</u></u>	<u><u>2,494.60</u></u>

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

Particulars	Opening Bal.	Closing Bal.
Equity shares with voting rights		
Year ended 31 March, 2013		
– Number of shares	24945996	24945996
– Amount (₹)	2,494.60	2,494.60
Year ended 31 March, 2012		
– Number of shares	24945996	24945996
– Amount (₹)	2,494.60	2,494.60
Equity shares with differential voting rights		
Year ended 31 March, 2013		
	—	—
Year ended 31 March, 2012		
	—	—

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

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	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	5703638	22.86%	5600000	22.45%
M/s Diajewel N.V.	2700000	10.82%	2700000	10.82%
Equity shares with differential voting rights	—	—	—	—

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

Particulars	Aggregate number of shares	
	As at 31.03.2013	As at 31.03.2012
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	—	—
Fully paid up by way of bonus shares	—	—
Shares bought back	—	2086804
Equity shares with differential voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	—	—
Fully paid up by way of bonus shares	—	—
Shares bought back	—	—

2 RESERVES AND SURPLUS :		(₹ in Lakhs)	
Particulars	As at 31.03.2013	As at 31.03.2012	
1. Capital Redemption Reserve			
As per last Balance Sheet	208.68	208.68	
2. Capital Reserve			
As per last Balance Sheet	547.91	479.70	
Add : on consolidation (Net)	—	68.21	
	<u>547.91</u>	<u>547.91</u>	
3. General Reserve			
As per last Balance Sheet	4,980.38	4,925.38	
Add : Transfer from Profit & Loss Account	50.00	55.00	
	<u>5,030.38</u>	<u>4,980.38</u>	
4. Surplus in the Statement of Profit & Loss Account			
As per last Balance Sheet	12,603.15	11,573.30	
Add : Net Profit after tax transferred from Statement of Profit & Loss	1,865.96	1,522.98	
Amount available for appropriation	14,469.11	13,096.28	
Less : Appropriations			
Transferred to General Reserve	50.00	55.00	
Interim Dividend	249.46	274.41	
Proposed Dividend	124.73	99.78	
Tax on Interim / Proposed Dividend	71.55	63.95	
Balance in profit and loss account	13,973.36	12,603.15	
5. Foreign Currency Translation Reserves	118.27	81.75	
TOTAL	<u>19,878.61</u>	<u>18,421.87</u>	
3 DEFERRED TAXES :			
Deferred Tax Liabilities :			
i) Relating to Depreciation, amortisation and Impairment	109.81	—	
	<u>109.81</u>	<u>—</u>	
Less : Deferred Tax Assets :			
i) Relating to Employee benefits & provision thereof	8.07	30.61	
ii) Relating to Depreciation, amortisation and Impairment	13.69	55.07	
	<u>21.76</u>	<u>85.68</u>	
TOTAL	<u>88.05</u>	<u>85.68</u>	
4 SHORT TERM BORROWINGS :			
a) Secured Loans :			
Working Capital Loans			
From Bank :			
a) Foreign Currency Loans	8,667.23	5,037.62	
b) Rupee Loans	1,275.40	1,249.84	
Motor Car Loan :			
Bank Car Loan	—	4.89	
4.1 Working Capital Loans :			
a) ₹ 2007.56 lakhs is secured by pari passu charge on present & future Inventories, Receivables of Goldiam International Limited.			
b) ₹ 1770.52 lakhs Secured by Pledge in investments in Fixed Monthly Plans (FMP) & other Debt Mutual Fund with Citi Bank N.A.			
1615331.363 Units of Birla Sunlife Dynamic Bond Fund -Retail - Growth - Regular Plan			
203800.471 Units of Birla Sunlife Income Plus - Growth - Regular Plan			
1000000.000 Units of HDFC FMP 372D July 2012 (1) - Growth			
1386596.513 Units of IDFC Super Saver Income Fund - Short Term Plan - Growth -Regular Plan			
7000000.000 Units of Reliance Fixed Horizon Fund - XXII - Series 7 - Growth Plan			
2745131.681 Units of Reliance Income Fund - Growth Plan - Bonus Option			
5376231.519 Units of Templeton India Low Duration Fund - Growth			
1700.675 Units of Templeton India Short Term Income Retail Plan - Growth			

Goldiam International Limited

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
c) ₹ 1516.80 lakhs Secured by Pledge in investments in Debt Mutual Fund with HSBC Bank. 2526145.607 Units of Birla Sunlife Dynamic Bond Fund - Retail - Growth - Regular Plan 331309.830 units of ICICI Prudential Flexible Income - Regular Plan - Growth 2093258.869 units of ICICI Prudential Short Term - Regular Plan - Growth Option		
d) ₹ 2268.13 lakhs is secured by hypothecation of Stock, Debtors and Inventories and equitable mortgage of Leasehold Land and Factory Building at R-1 Cama Industrial Estate, Walbhat Road, Goregaon (East), Mumbai-400063.		
e) ₹ 2379.62 lakhs is secured by first pari passu charge on present & future Inventories, Receivables of Goldiam Jewellery Limited and Corporate Guarantee by M/s. Goldiam International Limited		
b) Unsecured Loans		
Rupee Loan from Director	—	630.96
Rupee Loan from Others	<u>20.40</u>	<u>20.40</u>
TOTAL	<u>9,963.03</u>	<u>6,943.71</u>

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	1.54% to 2.71%	July -13 to Feb -14
Post shipment credit in foreign currency	3.046%	Jul-13
Pre-shipment credit in foreign currency	4.75% to 5.29%	April 13 to Sep 13
Post shipment credit in foreign currency	4.75% to 5.29%	April 13 to Sep 13
Pre-shipment credit in rupee	9.25% to 14.25%	April 13 to Sep 13
Post shipment credit in rupee	9.25% to 14.25%	April 13 to Sep 13

700000.00 Units of Reliance Fixed Horizon Fund -XXII- Series 7 - Growth Plan

Cash Credit loan 14.75% 5th December, 2013

5 TRADE PAYABLES :

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
i) Dues of Micro, Medium & Small enterprises (*)	<u>41.42</u>	20.28
ii) Others	<u>6,343.31</u>	5,479.51
TOTAL	<u>6,384.73</u>	<u>5,499.79</u>

6 OTHER CURRENT LIABILITIES :

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Statutory dues payable	24.17	22.59
b) Payables on Purchase of Fixed Assets :		
i) Dues of Micro, Medium & Small enterprises (*)	0.16	0.51
ii) Others	—	—
c) Accrued salaries and benefits :		
i) Salaries due to director	10.09	3.33
ii) Salaries due to others	3.55	34.04
d) Provisions for expenses	170.27	69.46
e) Gratuity obligations	9.37	6.72
f) Other payables :		
i) Dues of Micro, Medium & Small enterprises (*)	0.28	7.39
ii) Others	48.93	24.58
g) Security Deposit received	0.50	0.50
h) Overdrawn Balance with Bank	7.02	28.63
i) Advance received from clients	234.64	28.93
TOTAL	508.98	226.68

(*) 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.	41.86	28.18
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 Media Enterprise Development Act, 2006.	NIL	NIL

7 SHORT TERM PROVISIONS :

a) Provision for employee benefits :

i) Provision for Leave	3.34	4.98
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b) Provision for others :

i) Proposed Dividend	124.73	99.78
ii) Provision for Tax on Proposed Dividend	24.60	19.43
iii) Provisions for Income Tax	141.83	62.71
iv) Provision for Wealth Tax	2.32	2.31

TOTAL

296.82	189.21
296.82	189.21

Goldiam International Limited

8 FIXED ASSETS		GROSS BLOCK				DEPRECIATION			NET BLOCK	
		Cost as on 01.04.2012	Addition	Deduction	Cost as on 31.03.2013	As on 01.04.2012	For the Year	Deduction	As on 31.03.2013	As on 31.03.2012
A) TANGIBLE										
1	GOODWILL ON CONSOLIDATION	—	—	—	—	—	—	—	—	—
2	LAND	506.47	—	—	506.47	—	—	—	506.47	506.47
3	FACTORY BUILDING	609.23	—	—	609.23	436.55	17.27	—	453.83	155.40
4	OFFICE PREMISES	647.23	1,371.40	370.93	1,647.69	237.13	36.84	107.29	166.68	1,481.00
5	FURNITURE & FIXTURE	511.20	2.54	98.79	414.95	412.05	25.15	66.38	370.82	44.14
6	OFFICE EQUIPMENT	98.89	1.12	—	100.02	64.14	4.60	—	68.74	31.28
7	PLANT & MACHINERY									
	A) MACHINERY	699.51	21.85	—	721.37	532.04	41.90	—	573.94	147.43
	B) COMPUTERS	209.69	2.93	—	212.62	192.17	11.80	—	203.97	8.65
	C) AIR CONDITIONER	95.28	0.62	—	95.91	66.91	3.60	—	70.51	25.40
	D) LIFT	16.94	—	—	16.94	16.72	0.21	—	16.93	0.01
	E) ELECTRICAL INST.	222.31	—	16.39	205.93	165.66	6.98	9.57	163.08	42.85
8	VEHICLES	334.86	99.10	64.08	369.88	150.82	56.27	40.82	166.27	203.61
	TOTAL (A)	3,951.61	1,499.56	550.19	4,900.99	2,274.18	204.62	224.05	2,254.75	2,646.24
	B) INTANGIBLE :									
1	COMPUTER SOFTWARE	13.10	0.45	—	13.54	11.28	0.64	—	11.92	1.62
	TOTAL (B)	13.10	0.45	—	13.54	11.28	0.64	—	11.92	1.62
	TOTAL (A+B)	3,964.71	1,500.01	550.19	4,914.53	2,285.46	205.26	224	2,266.67	2,647.86
	PREVIOUS YEAR	4,021.21	115.87	172.37	3,964.71	2,155.95	209.52	80.02	2,285.46	1,679.25

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

9 NON - CURRENT INVESTMENT

(Amount in ₹ in Lakhs)

Particulars	No. of Shares	Face Value	As at 31.03.2013	No. of Shares	As at 31.03.2012
(Long Term Investments)					
In Equity Shares - Unquoted, fully paid up					
1) Sip Technologies Limited	1891	10	0.19	1891	0.19
OTHER THAN TRADE:					
In Equity Shares - Quoted, fully paid up					
	No. of Shares			No. of Shares	
1) Classic Diamonds (I) Ltd	5	2	0.00	5	0.00
2) Reliable Ventures Ltd	50000	10	5.70	50000	7.45
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 from Suraj Diamonds & Jewellery Ltd					
In Redeemable Preference Shares - Unquoted, fully paid					
K.S.Realty Construction Private Limited	—	10	—	2,750	0.28
In Units of Mutual Fund - Quoted, fully paid up					
	No. of Units			No. of Units	
1) IDFC Fixed Maturity Plan Thirteen Months Series 7 - Growth	2199990.000	10	220.00	2199990.000	220.00
2) Reliance Fixed Horizon Fund XXI - Series 18 - Growth Plan	1750000.000	10	175.00	1750000.000	175.00
3) Reliance Fixed Horizon Fund-XXIII-Series 5-Growth	750829.953	10	75.08	—	—
In Bond - Quoted, fully paid up					
	No. of Bond			No. of Bond	
1) 8.20% Tax Free National Highways Authority of India 10Years Bond	14834	1,000	148.34	14834	148.34
2) 8.10% Tax Free Housing and Urban Development Corporation Limited 10 Yrs Bond	22676	1,000	226.76	22676	226.76
In Debentures - Quoted, fully paid up					
	No. of Debentures			No. of Debentures	
1) Deutsche Investment India Pvt Ltd - NCD series 33 04 March 2014	—	100,000	—	100	88.71
2) Deutsche Investments India Pvt Ltd SR-GE 0122 BR NCD 15 April 14	250	100,000	250.00	250	242.37
In Debentures - Unquoted, fully paid up					
	No. of Debentures			No. of Debentures	
1) Mantri Mansion Private Limited - 18 NCD 17 July 2014	2	5,000,000	100.00	—	—
In Others					
1) Kotak Alternate Opportunities (India) Fund	—	—	337.62	—	403.71
2) Kotak India Real Estate Fund - IV	19448.500	1,000	194.49	7448.500	74.49
3) Kshitij Venture Capital Fund	30000.000	670	201.00	30000.000	276.00
(Previous Year Face Value ₹ 920)					
TOTAL			1,934.18		1,863.28
Aggregate amount of quoted investments			1,100.88		1,108.63
Aggregate market value of listed and quoted investments			1,182.80		1,113.60
Aggregate value of listed but not quoted investments			—		—
Aggregate amount of unquoted investments			833.29		754.66

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10 LONG - TERM LOANS AND ADVANCES :

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Capital advances		
i) Unsecured, considered good	—	0.05
b) Security deposits		
i) Unsecured, considered good	37.37	31.90
c) Other loans and advances		
i) Unsecured, considered good	70.33	71.90
TOTAL	107.70	103.85

11 OTHER NON CURRENT ASSETS :

(To the extent not written off or adjusted)

a) Preliminary Expenses	3.13	4.10
Less: 10% Written Off	0.97	0.97
	2.15	3.13
b) Preoperative Expenses	1.02	1.28
Less: 10% Written Off	0.26	0.26
	0.77	1.02
TOTAL	2.92	4.15

12 CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	No. of Shares	Face Value	As at 31.03.2013	No. of Shares	As at 31.03.2012
In Units of Mutual Fund - Quoted fully paid up	No. of Units			No. of Units	
Benchmark Mutual Fund Liquid Bees	—	1000	—	0.017	0.00
In Debentures - Quoted, fully paid up	No. of Debentures			No. of Debentures	
1) Deutsche Investments India Pvt Ltd SR-GE 0146 BR NCD 12 Nov 12	—	100000	—	150	150.00
2) Nomura Capital ELD Series- NCE041- (NCD)	200	100000	200.00	—	—
In Units of Mutual Fund - Quoted	No. of Units			No. of Units	
1) Birla Sun Life Fixed Term Plan Series FD - Growth	2762498.000	10	276.25	—	—
2) Birla Sun Life Fixed Term Plan Series FL - Growth	500000.000	10	50.00	—	—
3) Birla Sunlife Fixed Term Plan Series CX - Growth	—	10	—	2513848.000	251.38
4) DSP Blackrock FMP 13 M Series 04 - Growth	—	10	—	500000.000	50.00
5) DSP Black Rock FMP 12 M Series 24 - Growth	—	10	—	1700000.000	170.00
6) DSP Black Rock FMP - 12M Series 25 - Growth	—	10	—	750000.000	75.00
7) DWS Fixed Term Fund - Series 85 - Growth	—	10	—	2500000.000	250.00
8) HDFC FMP 372D July 2012 (1) - Growth	1000000.000	10	100.00	—	—
9) HSBC Fixed Term Series 83 - Growth - Tenure 370 Days	—	10	—	1500000.000	150.00
10) ICICI Prudential FMP Series 54 - 1 Year Plan A Cumulative	—	10	—	5000000.000	500.00
11) ICICI Prudential Fixed Maturity Plan Series 56 - 1 Year Plan F Cumulative	—	10	—	1501674.000	150.17
12) ICICI Prudential FMP Series 57 - 1 Year Plan B Cumulative	—	10	—	500000.000	50.00

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(₹ in Lakhs)

Particulars	No. of Shares	Face Value	As at 31.03.2013	No. of Shares	As at 31.03.2012
13) ICICI Prudential Fixed Maturity Plan - Series 63 - 1Year Plan B - Growth	—	10	—	4500000.000	450.00
14) IDFC FMP Yearly Series 67 - Growth	—	10	—	3003810.607	300.38
15) Reliance Fixed Horizon Fund - XXII - Series 7 - Growth Plan	7000000.000	10	700.00	—	—
16) Sundaram Fixed Term Plan BC 366 Days Growth	—	10	—	2000000.000	200.00
17) TATA Fixed Maturity Plan Series 34 Scheme C Growth	—	10	—	500199.000	50.02
In Units of Mutual Fund - quoted	No. of Units			No. of Units	
1) Birla Sun Life Dynamic Bond Fund - Retail - Growth	7621014.931	10	1,444.00	1116645.357	200.00
2) Birla Sun Life Income Plus - Growth	203800.471	10	100.00	—	—
3) DWS Treasury Fund - Investment - Regular Plan - Growth	4649432.769	10	600.00	—	—
4) HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend - Reinvest	—	10	—	9837014.166	986.80
5) HDFC Equity Fund - Growth	—	10	—	46777.323	122.40
6) HDFC High Interest Fund - Short Term Plan - Growth	656541.340	10	150.00	—	—
7) HDFC Top 200 Fund - Dividend - Payout	—	10	—	38482.331	75.00
8) ICICI Prudential Flexible Income - Regular Plan - Growth	331309.830	10	725.00	—	—
9) ICICI Prudential Short Term - Regular Plan - Growth Option	6064388.355	10	1,430.00	—	—
10) IDBI Ultra Short Term Fund Growth	—	1000	—	46527.553	525.91
10) IDFC Super Saver Income Fund - Short Term Plan - Growth	1386596.513	10	331.00	—	—
11) Kotak Bond Scheme Plan A Growth	308011.692	10	100.00	—	—
12) Kotak Floater Long Term Fund Daily Dividend	—	10	—	1987519.775	200.34
13) Kotak Floater Long Term Fund Growth	—	10	—	2944586.743	500.17
14) Kotak Gilt Investment Regular Growth	386195.817	10	150.00	—	—
15) Motilal Oswal Most 10 Year Gilt Fund - Growth	500000.000	10	50.00	500000.000	50.00
16) Reliance Income Fund - Growth Plan - Bonus Option**	4660075.432	10	62.93	—	—
17) Templeton India Cash Management Account - Growth Plan	3197443.007	10	609.07	761933.293	135.67
18) Templeton India Low Duration Fund - Growth	16369771.444	10	2,020.00	8052573.626	912.00
19) Templeton India Short Term Income Retail Plan - Growth	24929.237	1,000	541.88	12110.561	255.19
20) Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment	—	1,000	—	31578.935	362.74
21) Templeton India Ultra Short Bond Fund - Super Institutional Plan Growth	—	10	—	3557742.646	477.83
** Received 4106855.693 Units as Bonus Units @3 units for every 5 units held from Reliance Income Fund					
In Debentures - Unquoted, fully paid up					
1) Zero Coupon NCD of Mannapuram Finance Limited	—	1,000,000	—	25	220.43
2) Zero Coupon NCD Series 4 Manappuram Finance Limited	44	1,000,000	384.76	—	—
Note (*) : (NCD refers to Non Convertible Debentures)					
TOTAL			10,024.89		7,821.42
Aggregate amount of quoted investments			9,640.13		7,601.00
Aggregate market value of listed and quoted investments			10,456.15		7,615.50
Aggregate value of listed but not quoted investments			—		—
Aggregate amount of unquoted investments			384.76		220.43

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13 INVENTORIES :		(₹ in Lakhs)	
Particulars	As at 31.03.2013	As at 31.03.2012	
As taken, valued & certified by the Management			
i) Raw Materials	6,606.83	6,353.87	
ii) Work in Process	675.40	283.64	
iii) Finished Goods	3,699.87	3,082.82	
iv) Stock of consumable Stores & Spare parts	22.28	22.33	
	<u>11,004.38</u>	<u>9,742.66</u>	
TOTAL	<u>11,004.38</u>	<u>9,742.66</u>	
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	236.68		135.30
– considered doubtful			
b) Other Debts-considered good	—		10,294.84
– considered good	12,235.13		—
– considered doubtful	—		—
		<u>12,471.81</u>	<u>10,430.14</u>
TOTAL		<u>12,471.81</u>	<u>10,430.14</u>
15 CASH & BANK BALANCE :			
Cash On Hand	33.89		41.84
Balance with Bank			
i) Current Account	1,025.32		922.71
ii) EEFC Account	720.51		1,431.73
iii) Fixed Deposit with Banks	112.34		87.47
		<u>1,892.06</u>	<u>2,483.75</u>
TOTAL		<u>1,892.06</u>	<u>2,483.75</u>
16 SHORT TERM LOANS & ADVANCES :			
(Advances recoverable in cash or in kind or for value to be received)			
a) Prepaid Expenses	33.25		60.61
b) Loan to Employees			
Unsecured	—		0.03
c) Balances with government authorities			
i) Vat Credit Receivable	224.37		157.82
ii) Inter Corporate Deposits	155.00		255.00
d) Others			
Secured, considered good	—		—
Unsecured, considered good	445.51		448.48
Doubtful	—		—
e) Advance Tax (Net off Provision)	33.07		15.48
		<u>891.20</u>	<u>937.42</u>
TOTAL		<u>891.20</u>	<u>937.42</u>

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17 REVENUE FROM OPERATIONS :

(₹ in Lakhs)

Particulars	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
a) Sales of Manufactured Goods	25,404.93	22,749.98
b) Sales of Trading Goods	1,067.03	1,716.97
c) Sale of Services	94.69	59.44
TOTAL	26,566.65	24,526.39

Sale of products comprises :

a) Manufactured goods :

i) Sales of gold Jewellery	25,164.68	22,582.05
ii) Sales of Silver Jewellery	227.41	161.83
iii) Sales of Silver Masters	0.81	—
iv) Local - Sales Inter Unit Sales	12.03	6.09
	25,404.93	22,749.98

b) Traded goods :

i) Sales of Cut & Polished Diamond	1,064.69	1,713.88
ii) Sales of Colour stones	0.32	0.40
iii) Sales of Alloy	0.39	2.07
iv) Sales of findings	—	0.62
v) Sales Gold	1.64	—
	1,067.03	1,716.97

c) Sales of Services :

i) Job work Income	94.69	59.44
	94.69	59.44

18 OTHER INCOME :

a) Dividend income from investments	30.49	156.94
b) Net gain on sale of investments	235.99	354.77
c) Interest received on Bond	7.15	2.10
d) Interest Received on Loan	89.74	135.35
e) Net gain on foreign currency transactions and translation	45.75	103.72
f) Bad Debts Recovered	81.32	1.02
g) Misc. Income	5.80	1.41
h) Rent Income	—	37.28
i) Commission received	20.69	3.81
j) Profit on sale of Assets	2.90	—
k) Credit Balance written back	0.08	2.12
TOTAL	519.92	798.51

19 RAW MATERIALS CONSUMED :

Opening Stock :	6,353.87	6,099.73
Add: Purchases	20,901.82	18,293.09
	27,255.69	24,392.82
Less : Closing Stock	6,606.83	6,353.87
TOTAL	20,648.86	18,038.95

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

(₹ in Lakhs)

Particulars	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
I) Inventories at the end of the year :		
a) Stock in Process	675.40	283.64
b) Finished Goods	3,699.87	3,082.82
	4,375.27	3,366.46
II) Inventories at the beginning of the year :		
a) Stock in Process	283.64	305.83
b) Finished Goods	3,082.82	3,283.25
	3366.46	3,589.09
TOTAL	(1,008.80)	222.62

21 EMPLOYEE BENEFITS EXPENSES :

WAGES, SALARIES AND OTHER BENEFITS :

a) Salaries, Wages, Bonus & Ex-gratia	474.49	487.37
b) Contribution to E.S.I.C.	2.77	3.10
c) Contribution to Provident Fund	5.15	6.22
d) Contribution to LIC Group Gratuity Scheme	1.26	3.98
e) Workmen & Staff Welfare Expenses	30.21	19.96
TOTAL	513.87	520.63

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 st March, 2013	Gratuity Funded 31 st March 2012	Leave Encashment Non Funded 31 st March, 2013	Leave Encashment Non Funded 31 st March, 2012
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present Value of obligation as at beginning of year	9.63	6.20	2.56	4.81
Current service cost	4.93	2.38	3.61	1.16
Interest cost	0.74	0.50	0.14	0.27
Actuarial (gain)/loss	(0.51)	0.89	(0.72)	1.11
Benefits paid	(1.54)	(0.36)	(1.97)	(3.98)
Present Value of obligation as at end of the year	13.25	9.63	3.62	3.37
Change in Plan assets				
Plan assets at period beginning, at fair value	9.99	7.27	—	—
Expected return on plan assets	0.76	0.58	—	—
Actuarial (gain)/loss	0.06	0.17	—	—
Contribution	0.58	2.32	—	—
Benefits paid	(1.54)	(0.36)	—	—
Plan assets at period end 2013, at fair value	9.86	9.98	—	—

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(₹ in Lakhs)

Assumptions	Gratuity Funded 31 st March, 2013	Gratuity Funded 31 st March 2012	Leave Encashment Non Funded 31 st March, 2013	Leave Encashment Non Funded 31 st March, 2012
Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	9.99	6.20	—	—
Actual return on plan assets	0.82	0.58	—	—
Contributions	0.58	1.62	—	—
Benefits paid	—	—	—	—
Fair Value of Plan Assets at the end of the year	11.39	8.41	—	—
Funded status	1.62	2.59	—	—
Excess of Actual over estimated return				
Reconciliation of present value of the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the period	1.59	8.60	(1.86)	4.01
Present value of the defined benefit obligation at the end of the period	9.85	1.01	—	—
Assets/(Liability) recognised in the Balance Sheet	(3.40)	(2.41)	—	—
Net asset/(liability) recognised in Balance Sheet	(3.40)	—	(1.86)	—
Expenses for the year				
Current service cost	3.04	2.38	3.61	1.16
Interest cost on benefit obligation	0.74	0.50	0.14	(0.10)
Expected return on plan assets	(0.76)	(0.58)	—	—
Net actuarial (gain)/loss recognised in the year	(0.57)	1.68	(0.72)	2.04
Total expenses recognised in the Profit and Loss Account	2.45	3.99	3.03	3.10

Assumptions	31 st March, 2013 Gratuity	31 st March, 2012 Gratuity	31 st March, 2013 Leave Encashment	31 st March, 2012 Leave Encashment
Discount Rate	8.00%	8.00%	8.57%	8.57%
Employee Turnover	6.00%	5.00%	2.00%	2.00%
Salary Escalation	6.00%	5.00%	6.00%	5.00%
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 ₹ 1.54 lakhs (Previous year ₹ 3.14 lakhs).

Leave Encashment ₹ 1.97 lakhs (Previous year ₹ 3.98 lakhs).

(ii) **Defined Contribution Plan :**

Contribution to Provident Fund is ₹ 5.15 lakhs (Previous year ₹ 6.22 lakhs), ESIC and Labour Welfare Fund includes ₹ 2.77 lakhs (Previous year ₹ 3.10 lakhs).

Temple Designs LLP, a Joint venture of Diagold Designs Limited, has provided gratuity on actuarial valuation, however with respect to previous accounting year the same was provided on actual basis. The effect of the same is in the previous year was not significant.

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

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22 FINANCE EXPENSES : (₹ in Lakhs)

Particulars	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
a) Interest on loan	318.02	318.88
b) Stamp Duty	6.59	14.77
TOTAL	324.61	333.65

22.01 Interest on loan includes ₹ 12.31 lakhs (Previous year ₹ 78.25 lakhs) paid to Director Mr. Rashesh M. Bhansali

23 OTHER EXPENSES : (₹ in Lakhs)

Particulars	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
a) Stores & Spares	59.86	93.53
b) Power & Water	114.22	103.61
c) Repairs & Maintenance	28.55	36.98
d) Machinery & Electrical Repairs	11.84	5.74
e) Assortment and Grooving charges	18.24	18.16
f) Insurance	11.28	10.21
g) Other Manufacturing Expenses	604.73	272.99
h) Rent Rates & Taxes	69.42	82.54
i) Donations	6.83	5.44
j) Bank Charges	81.62	85.68
k) Commission on purchase & sales	249.28	277.24
l) Travelling and conveyance	123.22	113.02
m) Telephone charges	21.13	18.45
n) Printing & Stationery	14.35	13.12
o) Portfolio Management fees	0.13	7.14
p) Security Transaction Tax	0.56	0.59
o) Exhibition expenses	23.15	21.03
p) Discount to Customers	117.58	63.13
q) Selling and distribution expenses	83.15	28.92
r) Bad Debts	8.07	0.41
t) Vehicle Expenses	14.16	30.90
u) Auditors' Remuneration	6.01	5.18
v) Preliminary Expenses Written off	1.23	1.23
v) General Expenses	885.18	712.18
w) Loss on Revaluation of Investments	19.80	0.00
TOTAL	2573.58	2,007.43

24 EXCEPTIONAL ITEMS:

a) Profit / (Loss) on Sale of Fixed Assets	434.44	(72.96)
TOTAL	434.44	(72.96)

25 The consolidated accounts for the year ended 31st March, 2013 were consolidated on the basis of the audited accounts presented by the subsidiaries, Diagold Designs Limited, Goldiam Jewels Limited, Goldiam Jewellery Limited and Limited Review Report presented by subsidiary, M/s. Goldiam USA, Inc.

26 The consolidated accounts for the year ended 31st March, 2013 were consolidated on the basis of the audited accounts presented by the Joint Venture, M/s. Goldiam HK Limited.

27 a) During the current year under review, the Company has 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 (%)	
		2012-13	2011-12
Diagold Designs Limited	India	50.99%	50.99%
Goldiam Jewellery Limited	India	100.00%	100.00%
Goldiam USA, Inc.	USA	100.00%	100.00%
Goldiam Jewels Limited	India	—	99.50%

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 31.03.2013	For the period ended 31.03.2012
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 31.03.2013	For the year ended 31.03.2012
Proportionate Reserves and Surplus as at the beginning of the year	(36.53)	(71.68)
Proportionate Transfer to Reserves	—	—
Proportionate surplus/(deficit) in Profit and Loss Account (net of transfer to reserves, dividend etc.)	34.87	35.15
Proportionate Reserves and Surplus as at the end of the year	<u>(1.65)</u>	<u>(36.53)</u>

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.

Name of the Company & Country of Incorporation	Percentage of Shareholding %	As at year ended 31 st March, 2013		For the year ended 31 st March, 2012	
		Assets	Liabilities	Income	Expenditure
Goldiam HK Limited, Hong Kong	49.96%	834.44	414.74	1,827.76	1,785.90
(Year ended 31 st March, 2013)	49.96%	(738.32)	(364.67)	(796.50)	(761.35)

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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 st March, 2013			For the year ended 31 st March, 2012		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
I) REVENUE FROM OPERATIONS	22,994.33	3,572.32	26,566.65	22,508.90	2,017.49	24,526.39
II) OTHER INCOME	518.60	1.32	519.92	797.53	0.98	798.51
III) TOTAL REVENUE (I+II)	<u>23,512.93</u>	<u>3,573.64</u>	<u>27,086.56</u>	<u>23,306.44</u>	<u>2,018.47</u>	<u>25,324.91</u>
IV) EXPENSES :-						
COST OF MATERIALS CONSUMED	17,606.51	3,042.34	20,648.86	16,420.86	1,618.10	18,038.95
PURCHASES OF STOCK-IN-TRADE	1,657.27	3.38	1,660.65	1,870.77	—	1,870.77
CHANGES IN INVENTORIES OF FINISHED GOODS	—	—	—	51.33	—	—
WORK-IN-PROGRESS AND STOCK-IN-TRADE	(970.09)	(38.71)	(1,008.80)	273.95	(51.33)	222.62
EMPLOYEE BENEFITS EXPENSES	444.99	68.88	513.87	465.21	55.42	520.63
FINANCE COSTS	240.45	84.16	324.61	274.46	59.19	333.65
DEPRECIATION / AMORTISATION	199.71	5.55	205.26	203.70	5.82	209.52
OTHER EXPENSES	2,221.14	352.44	2,573.58	1,765.77	241.67	2,007.43
	<u>21,399.99</u>	<u>3,518.04</u>	<u>24,918.03</u>	<u>21,326.06</u>	<u>1,928.86</u>	<u>23,203.58</u>
V) PROFIT BEFORE TAX (III-IV)	2,112.94	55.60	2,168.53	1,980.38	89.61	2,121.32

(₹ in Lakhs)

	As at 31 st March, 2013			As at 31 st March, 2012		
	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	19,878.61	—	19,878.61	18,421.87	—	18,421.87
2) MINORITY INTEREST	1,377.03	—	1,377.03	1,375.73	—	1,375.73
3) NON-CURRENT LIABILITIES						
a) LONG - TERM BORROWINGS	—	—	—	—	—	—
b) DEFERRED TAX LIABILITY (NET)	109.81	—	109.81	—	—	—
c) OTHER LONG TERM LIABILITIES	—	—	—	—	—	—
d) LONG - TERM PROVISIONS	—	—	—	—	—	—
4) CURRENT LIABILITIES						
a) SHORT TERM BORROWINGS	9,576.44	386.59	9,963.03	6,614.92	328.79	6,943.71
b) TRADE PAYABLES	5,614.16	770.57	6,384.73	5,348.88	150.91	5,499.79
c) OTHER CURRENT LIABILITIES	435.85	73.13	508.98	214.83	11.85	226.68
d) SHORT - TERM PROVISIONS	296.82	—	296.82	187.09	2.12	189.21
TOTAL	<u>39,783.32</u>	<u>1,230.29</u>	<u>41,013.61</u>	<u>34,657.93</u>	<u>493.67</u>	<u>35,151.60</u>
II) ASSETS :						
1) NON - CURRENT ASSETS						
a) FIXED ASSETS	2,616.56	29.68	2,646.24	1,647.86	29.57	1,677.43
i) TANGIBLE ASSETS	1.04	0.58	1.62	1.16	0.66	1.82
ii) INTANGIBLE ASSETS	—	—	—	—	—	—
iii) CAPITAL WORK-IN-PROGRESS	14.86	—	14.86	—	—	—
iv) INTANGIBLE ASSETS UNDER DEVELOPMENT	—	—	—	—	—	—

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(₹ in Lakhs)

	As at 31 st March, 2013			As at 31 st March, 2012		
	Group	Joint Ventures	Total	Group	Joint Ventures	Total
	b) NON - CURRENT INVESTMENT	1,934.18	—	1,934.18	1,863.28	—
c) DEFERRED TAX ASSETS (NET)	21.76	—	21.76	85.68	—	85.68
d) LONG - TERM LOANS & ADVANCES	105.82	1.88	107.70	102.59	1.26	103.85
e) OTHER NON - CURRENT ASSETS	1.39	1.53	2.92	1.86	2.29	4.15
2) CURRENT ASSETS						
a) CURRENT INVESTMENT	10,024.89	—	10,024.89	7,821.42	—	7,821.42
b) INVENTORIES	10,251.70	752.68	11,004.38	9,298.48	444.18	9,742.66
c) TRADE RECEIVABLES	11,216.91	1,254.90	12,471.81	9,690.53	739.60	10,430.14
d) CASH & BANK BALANCE	1,874.20	17.86	1,892.06	2,371.82	111.93	2,483.75
e) SHORT - TERM LOANS & ADVANCES	856.84	34.36	891.20	926.62	10.80	937.42
f) OTHER CURRENT ASSETS	—	—	—	—	—	—
TOTAL	38,920.14	2,093.47	41,013.61	33,811.32	1,340.28	35,151.60

31 CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) 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 ₹ 533.58 lakhs)
- b) The Municipal Corporation of Greater Mumbai has preferred an appeal in the High Court of Judicature at Bombay against the order of Small Causes Court rejecting the claim of Municipal Corporation of Greater Mumbai for an amount of ₹ 136.97 lakhs (Previous year ₹ 136.97 lakhs) on account of property tax.
- c) The Group has outstanding demand of Income tax of ₹ 4.27 lakhs (Previous Year ₹ 5.27 lakhs) for Assessment Year 2004-05 and of ₹ 5.15 lakhs (Previous year ₹ 5.15 lakhs) for the Assessment year 2006-2007 as on the Balance Sheet date. The said demand is outstanding and not provided for as it is disputed in appeal.
- d) The Company has executed Bank Guarantee of ₹ 3250 lakhs (Previous year ₹ 2500 lakhs) favouring The Hongkong and Shanghai Banking Corporation Limited.

32 FINANCIAL INSTRUMENTS/FORWARD CONTRACTS :

The Company has entered into following forward/derivative instruments :

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

Unhedged foreign currency exposure :

PARTICULARS	31.03.2013		31.03.2012	
	in Lakhs	₹ in Lakhs	in Lakhs	₹ in Lakhs
Outstanding Receivables	\$ 193.494	10,451.02	\$ 61.577	3,150.07
Outstanding creditors for goods and spares	\$ 69.185	3,891.42	\$ 86.822	4,444.63
Exchange Earner's Foreign Currency account with Banks	\$ 13.351	720.51	\$ 27.933	1,431.73
Outstanding creditors for spares (EURO)	€ 0.004	0.30	0.15	10.48
Outstanding Payable for Foreign Outward Bill Discount Account with Bank	\$ 7.964	433.18	—	—
Outstanding Payable for Packing Credit Loan in Foreign Currency	\$ 118.276	6,485.94	\$ 47.081	2,408.52
Post shipment credit in foreign currency with Bank	\$ 32.043	1,748.11	\$ 51.393	2,629.11

33 DIFFERENCE IN ACCOUNTING POLICY FOR DEPRECIATION :

Depreciation on fixed assets relating to subsidiary company, Goldiam USA Inc., and Joint Venture, Goldiam HK Limited, is provided at the rates based on the estimated useful life of the respective assets as determined by the management or on the minimum depreciation rates as prescribed under the domestic law of the Subsidiary and Joint Venture whichever is higher and in respect of subsidiary (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 ₹ 5.24 lakhs (Previous year ₹ 12.11 lakhs) calculated on such basis. The impact of the difference in the accounting policy has not been calculated as the depreciation amount itself is not significant. The net block included in the consolidated financial statements in this respect as at 31st March, 2013 is ₹11.79 lakhs (As at 31st March, 2012 ₹ 20.18 lakhs).

Depreciation on fixed assets relating to Limited Liability Partnership firm, Temple Designs LLP, has been provided as per the Income Tax law. Depreciation for the year includes ₹ 5.55 lakhs (Previous year ₹ 5.82 lakhs) calculated on such basis. The impact of the difference in the accounting policy has not been calculated as the depreciation amount itself is not significant. The net block included in the consolidated financial statements in this respect as at 31st March, 2013 is ₹59.32 lakhs (As at 31st March, 2012 ₹ 59.28 lakhs).

34 MANAGERIAL REMUNERATION :

(₹ in Lakhs)

	2012-13	2011-12
i) Salaries	90.00	83.50
ii) Perquisites	8.25	11.99
iii) Sitting Fees	3.15	2.40
iv) Commission	12.47	7.59
	<u>113.86</u>	<u>105.48</u>

35 EARNING PER SHARE :

	2012-13	2011-12
Profit after Tax (₹ in Lakhs)	1,865.96	1,522.98
No. of shares outstanding	24945996	24945996
Weighted Average no. of shares + potential shares outstanding	24945996	24945996
Earning per share (Basic) (₹)	7.48	6.11
Earning per share (Diluted) (₹)	7.48	6.11

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
Mr. Ashish Karnavat

5) KEY MANAGERIAL PERSONNEL OF JOINT VENTURE :

Mr. Nehal Mehta

6) SIGNIFICANT CONTROL OF KEY MANAGERIAL PERSONNEL :

Sunshine Corporation
Diastud USA, Inc.

b) Transactions during the year with related parties:

(₹ in Lakhs)

Sr. Nature of Transaction No.	Key Management Personnel		Enterprises over which Key Management personnel having direct influence	
	2012-13	2011-12	2012-13	2011-12
i) Payments to & provisions for Directors' remuneration	110.72	103.08	—	—
ii) Interest paid	12.00	64.47	—	—
iii) Loans received	—	25.00	—	—
iv) Loans refunded	630.96	10.30	—	31.26
a) Outstanding Loan received as on 31 st March, 2013	—	630.96	—	—
b) Outstanding Payables as on 31 st March, 2013	10.09	4.96	—	—

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

Sr. Nature of Transaction No.	Current Year	Previous Year
i) Payments to & provisions for Directors' remuneration :		
Rashesh M. Bhansali	46.65	39.71
Ami R. Bhansali	46.13	49.78
Milan Mehta	8.97	3.54
Nirav Mehta	8.97	7.09
Ashish Karnavat	—	2.96
ii) Interest paid :		
Rashesh M. Bhansali	12.00	64.47
iii) Loans received		
Rashesh M. Bhansali	—	25.00
iv) Loans refunded		
Sunshine Corporation	—	31.26
Rashesh M. Bhansali	630.96	—
Nehal Mehta	—	10.30
a) Outstanding Loan received as on 31st March, 2013		
Rashesh M. Bhansali	—	630.96
b) Outstanding Payables as on 31st March, 2013		
Rashesh M. Bhansali	10.12	3.33
Ami R. Bhansali	0.03	0.00
Milan Mehta	0.97	(0.46)
Nirav Mehta	(1.03)	2.09

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.

- 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".

Goldiam International Limited

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

	Year to 31.03.2013			TOTAL
	JEWELLERY	INVESTMENT ACTIVITY	OTHERS (Unallocated)	
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	18,640.39

(₹ in Lakhs)

	Year to 31.03.2012			TOTAL
	JEWELLERY	INVESTMENT ACTIVITY	OTHERS (Unallocated)	
Segment Revenue	24,675.75	649.17	—	25,324.92
Segment Results	1,843.69	641.43	—	2,485.12
Less: unallocated expenses net of unallocated (income)	—	—	(30.15)	(30.15)
Interest expenses (Net)	—	—	—	333.65
Profit before tax	—	—	—	2,121.33
Depreciation and Amortisation	—	—	—	209.52
Non cash expenses other than Depreciation and Amortisation	—	—	—	—
Segment Assets	23,003.48	9,684.71	2,463.41	35,151.60
Segment Liabilities (excluding Shareholders' Funds)	14,052.27	—	182.86	14,235.13

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

The Company has identified Geographic segments as its Secondary Segments.

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

(ii) Secondary Segment Information :

1. Segment Results :		(₹ in Lakhs)	
PARTICULARS	2012-13	2011-12	
Within India	(61.11)	79.20	
Exports outside India	2,261.73	1,764.49	
Total Revenue	2,200.62	1,843.69	

Annual Report 2012-2013

PARTICULARS	(₹ in Lakhs)	
	2012-13	2011-12
2. Segment Assets :		
Within India	1,611.85	1,298.19
Exports outside India	25,123.91	21,705.23
Total Assets	<u>26,735.76</u>	<u>23,003.42</u>
3. Segment Liabilities :		
Within India	777.97	729.15
Exports outside India	17,455.79	13,323.12
Total Liabilities	<u>18,233.77</u>	<u>14,052.27</u>

38 THE EFFECTS OF SALE/DISPOSAL OF SUBSIDIARY AND CHANGE IN HOLDING OF SUBSIDIARY :

	(₹ in Lakhs)	
Funds Employed :		
Share Capital		300.00
Reserves & Surplus		(115.33)
Current Liabilities		11.77
Provisions		—
TOTAL		<u>196.44</u>
Application of Funds :		
Fixed Assets (Net Block)		3.14
Deferred Tax Assets		0.13
Current Assets		193.17
TOTAL		<u>196.44</u>
Net (Loss)/Profit		(0.17)
TOTAL		<u>(0.17)</u>

39 Loss on disposal of Subsidiary :

A sum of ₹ 0.17 lakhs has been debited to profit and loss account as loss on disposal of subsidiary M/s. Goldiam Jewels Limited being the difference in book value of assets over the sale price of shares.

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

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

Signatures to the Notes forming part of the Balance Sheet and Profit and Loss Account.

As per our report of even date attached

For Pulindra Patel & Co.

Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra M. Patel
Proprietor
Membership No. 48991

Anita Kate
Company Secretary

Manhar R. Bhansali
Chairman

Rashesh M. Bhansali
Managing Director

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

Goldiam International Limited

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Particulars	Goldiam	Diagold	Goldiam USA, Inc.	
	Jewellery Limited	Designs Limited	₹ in Lakhs	US\$ in Lakhs
Reporting Currency	INR	INR	INR	USD
Capital	100.00	399.99	0.00	0.000
Reserves	5,162.73	2,273.41	117.97	2.169
Total Assets	9,203.79	6,671.50	3,162.05	58.137
Total Liabilities	3,941.06	6,671.50	3,044.08	55.968
Investments	2,141.63	571.79	—	0.000
Turnover/Total Income	9,206.31	5,480.13	3,576.60	65.685
Profit Before Taxation	904.38	161.23	22.33	0.410
Provision for Taxation	181.72	65.60	4.17	0.077
Exceptional Items	—	—	—	—
Profit After Taxation	725.23	95.63	18.16	0.333
Proposed Dividend	—	20.00	—	—
Country	India	India	USA	USA

As on 31st March, 2013 US\$ 1= ₹ 54.3893

GOLDIAM INTERNATIONAL LIMITED

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

ATTENDANCE SLIP

To be handed over at the entrance to the Meeting Hall

Full Name of the Member attending _____

Full Name of the First Joint-holder _____

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

Name of the Proxy _____

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

I hereby record my presence at the TWENTY SIXTH 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 6th September, 2013 at 3.00 p.m.

Regd. Folio No./Benpos No. _____

No. of Shares held _____

Member's/Proxy's Signature

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

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

GOLDIAM INTERNATIONAL LIMITED

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

Proxy Form

I/We _____

of _____ in the District _____ being

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

of _____ in the District of _____

or failing him, _____

of _____ in the District of _____

as my/our proxy to vote for me/us on my/our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company to be held on 6th September, 2013 at 3.00 p.m. at 'TRIBUNE 1' Banquet Hall, 6th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai 400 093 or any adjournment thereof.

Signed this _____ day of _____ 2013

No. of Shares _____

Regd. Folio No. _____

DP ID NO. _____

Client ID No. _____



Book-Post

If undelivered, please return to:

GOLDIAM INTERNATIONAL LIMITED

Gems & Jewellery Complex,

SEEPZ, Andheri (East),

Mumbai - 400 096