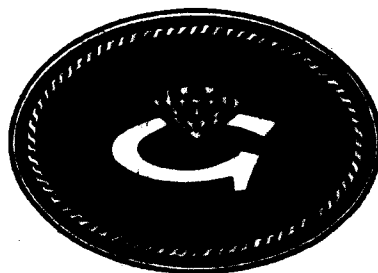


Annual Report

2002-2003



Report  junction.com

Goldiam International Limited

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

Goldiam International Limited

BOARD OF DIRECTORS

MANHAR R. BHANSALI
RASHESH M. BHANSALI
AJAY M. KHATLAWALA
RAJESH G. KAPADIA
V. N. NADKARNI
Dr. R. SRINIVASAN

Chairman & Mg. Director
Vice-Chairman & Mg. Director

SECRETARY

M. K. VARMA

AUDITORS

PULINDRA PATEL & CO.,
Chartered Accountants

BANKERS

Hongkong & Shanghai Banking Corpn.Ltd.
Punjab National Bank
Bank of India
ABN AMRO Bank NV

REGISTERED OFFICE

Gems & Jewellery Complex
Seepz, Andheri (East)
Mumbai - 400 096.

BRANCH OFFICE

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

REGISTRARS AND TRANSFER AGENTS

M/s. Intime Spectrum Registry Ltd.
260, Shanti Industrial Estate
Sarojini Naidu Road, Mulund (W)
Mumbai - 400 080.
From : 26th July, 2003
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai - 400 078.
Tel. Nos. : 25923837
Fax : 25672693 • Email : isrl@intimespectrum.com

Branch at :

202, Daver House
D. N. Road, Mumbai - 400 001.
Tel.: 22694127

LISTING

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001.

Jaipur Stock Exchange Limited
Stock Exchange Building
Jawaharlal Nehru Marg
Malaviya Nagar
Jaipur - 302 017.

Stock Exchange, Ahmedabad
Kamadhenu Complex
Opp. Sahajanand College
Panjarapole
Ahmedabad - 380 015.

The Delhi Stock Exchange Association Ltd.
DSE House
3/1, Asaf Ali Road
New Delhi - 110 002.

DEMAT DETAILS

ISIN : INE025B01017

SIXTEENTH ANNUAL GENERAL MEETING

will be held on Friday, 25th July, 2003, at 4.00 p.m. at
Banquet Hall, 'Tribune 1', 6th Floor, Hotel Tunga
International, MIDC Central Road, Andheri (East)
Mumbai - 400 093.

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UNDER CERTIFICATE OF POSTING

GOLDIAM INTERNATIONAL LIMITED

GEMS & JEWELLERY COMPLEX, SEEPS (SEZ), ANDHERI (EAST), MUMBAI 400 096

NOTICE POSTAL BALLOT

Dear Shareholders,

Reference is drawn to item No. 5 of the Notice dated 12th May, 2003, convening the 16th Annual General Meeting, seeking approval of the members for delisting of the shares of the company from Ahmedabad, Jaipur and New Delhi Stock Exchanges, by a Special Resolution. The Stock Exchanges have made it a precondition to have the approval through postal ballot as contemplated in the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 instead of passing the same at the Annual General Meeting

We may, therefore, now request you to peruse the proposed resolution along with the explanatory statement which is reproduced below, and thereafter send your assent or dissent by filling the necessary details and by putting your signature at the marked place in the postal ballot and putting the ballot in the enclosed postage prepaid Business Envelope directly to the address of the scrutiniser, to reach him within 30 days of posting of this notice. **Your assent/dissent received at the address of the Scrutiniser after 30 days of posting of this notice would be strictly treated as if a reply has not been received. This is in accordance with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.**

As the resolution needs to be passed as a Special Resolution, the resolution would be deemed to have been passed effective from the date of the AGM, when votes cast in favour of the resolution are three times more than the votes cast against the resolution.

Your Board have appointed Shri Rajanikant N. Shah, Proprietor of M/s R. N. Shah & Associates, Company Secretaries, as the Scrutiniser for conducting the postal ballot voting process in a fair and transparent manner.

Text of Special Resolution to be passed through Postal Ballot (Item No. 5 of AGM Notice)

"RESOLVED THAT approval be and is hereby given, subject to approvals as may be necessary in this regard, to have the Equity Shares of the Company delisted from the Delhi Stock Exchange Association Limited, Jaipur Stock Exchange Limited and Stock Exchange, Ahmedabad."

Explanatory Statement

Item No. 5

The Board at the meeting held on 22.01.02 decided that the Equity Shares of the Company be delisted from Ahmedabad, Jaipur and Delhi Stock Exchanges, subject to approval of the Members at the Annual General Meeting by a Special Resolution. This decision was taken by the Board as the records show that the shares have never been traded in these exchanges since listing. Such delisting, excepting from the Regional Exchange, which in the case of your company is Stock Exchange, Mumbai, is possible only if the prior approval of members by Special Resolution is obtained and other conditions stipulated are completed. As the listing of the Shares in the three exchanges referred

to above is not providing any reasonable benefit to the Members, the Board has taken the decision. The Fifteenth Annual General Meeting held on 19th July, 2002 had approved delisting of the shares from the above exchanges. However as the decision for issue of Bonus Shares was approved simultaneously, the Company was advised that there may be problems for fixing the weighted average price for the six months preceding delisting application. Some other procedural problems also forced the Board to defer the matter.

As per the recent guidelines issued by SEBI in this regard formalities have been simplified as the shares of the Company are listed and will continue to be listed with the Stock Exchange, Mumbai which has a national reach and no offer for purchase by the management need be given as the shares can be sold through the Stock Exchange, Mumbai nationally.

As per the guidelines framed by the Stock Exchanges read with Section 192A of the Companies Act, 1956 and rules framed thereunder, the delisting of the shares from the above referred Stock Exchanges can be made only by a Special Resolution passed by the members through Postal Ballot. The Postal Ballot Form is enclosed to enable members exercise their voting. The Company has appointed Shri Rajnikant N. Shah, Proprietor of M/s R. N. Shah & Associates, Company Secretaries as Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner. Please read carefully the instructions printed in the postal Ballot Form and return the Form duly completed in all respects in the enclosed self addressed prepaid postal envelope so as to reach the Scrutiniser within 30 days of dispatch of the notice.

The Scrutiniser will submit his report to the Chairman after completion of the scrutiny and the results of the Postal Ballot will be announced by the Chairman at the Sixteenth Annual General Meeting.

Your Board recommends the resolution for your approval.

None of the Directors of the Company is or is deemed to be interested in the resolution.

For GOLDIAM INTERNATIONAL LIMITED

By Order of the Board,

Place : MUMBAI

M.K. VARMA

Date : 23rd June, 2003

COMPANY SECRETARY

Encls : (i) Postal Ballot

(ii) Business reply envelope.

Text of Special Resolution to be passed through Postal Ballot Form No. 1 of A.M. Form No. 1
RESOLVED THAT approval be and is hereby given, subject to approval as may be necessary in this regard, to have the Equity Shares of the Company delisted from the Delhi Stock Exchange Association Limited, Jaipur Stock Exchange Limited and Stock Exchange, Ahmedabad.
Explanatory Statement
Item No. 5
The Board at the meeting held on 22.06.03 decided that the Equity Shares of the Company be delisted from Ahmedabad, Jaipur and Delhi Stock Exchanges, subject to approval of the Members at the Annual General Meeting by a Special Resolution. This decision was taken by the Board as the records show that the shares have never been traded in these exchanges since listing. Such delisting, excepting from the Regional Exchange, which in the case of your company is Stock Exchange, Mumbai, is possible only if the prior approval of members by Special Resolution is obtained and other conditions stipulated are completed. As the listing of the Shares in the three exchanges referred

*Annual Report 2002-2003***Notice**

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of GOLDIAM INTERNATIONAL LIMITED will be held on Friday, 25th July, 2003, at 4.00 p.m. at Banquet Hall 'Tribune 1', 6th Floor, Hotel Tunga International, MIDC Central Road, Andheri (East), Mumbai- 400 093, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet and the Profit and Loss Account of the Company and the Auditors' Report thereon for the year ended 31st March, 2003.
2. To declare dividend on equity shares for the year ended on 31st March, 2003.
3. To appoint a Director in place of Shri Ajay M. Khatlawala, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Pulindra Patel & Company, Chartered Accountants, as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

(This item will be transacted through Postal Ballot as required under Section 192A of the Companies Act, 1956 and the rules framed thereunder. The result of the Postal Ballot will be announced at the Annual General Meeting.)

"RESOLVED THAT approval be and is hereby given, subject to approvals as may be necessary in this regard, to have the Equity Shares of the Company delisted from the Delhi Stock Exchange Association Limited, Jaipur Stock Exchange Limited and Stock Exchange, Ahmedabad."

6. To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED pursuant to Section 314 and other applicable provisions of the Companies Act, 1956, if any, as may be applicable, that Smt. Ami

R. Bhansali be and is hereby appointed as an Officer of the Company, with effect from 01.08.2003, and that she be paid a monthly remuneration of Rs.50,000/-"

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 163 of the Companies Act, 1956 and any other provisions as may be applicable, and in supersession of earlier decisions in this regard, consent of the Company be and is hereby given to keep the Register of Members, Indexes, Share Transfer Forms and Registers, instead of being kept at the Registered Office of the Company at Gems & Jewellery Complex, SEEPZ (SEZ), Andheri (East), Mumbai - 400 096, at the office of the Company's Share Transfer Agents, M/s Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078, from 26th July, 2003, where the Register and Indexes as mentioned above shall remain open for inspection on all working days excepting Saturdays from 11.00 A.M. to 5 P.M."

By order of the Board,

M. K. VARMA

Company Secretary

Place : Mumbai

Date : 12th May, 2003

Regd. Office :

Gems & Jewellery Complex

Seepz, (SEZ) Andheri (E)

Mumbai - 400 096.

NOTES :

- 1) A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member.
- 2) The instrument appointing proxy should be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting.

Goldiam International Limited

- 3) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business mentioned above is annexed hereto.
- 4) The dividend as recommended by the Board, if sanctioned at the Annual General Meeting, will be paid to those members whose names appear on the Company's Register of Members, as on 25th July, 2003. In respect of the shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- 5) The Register of Members and Share Transfer Books will remain closed from 16th July, 2003 to 25th July, 2003 (both days inclusive).
- 6) In all correspondence with the Company, members are requested to quote their folio numbers and in case the shares are held in the dematerialised form, they should quote their client ID Number and DP ID Number.
- 7) Members, who hold shares in dematerialised form are requested to inform their client ID and DP ID numbers for easier identification for attendance at the meeting.
- 8) Share holders are requested to note that if physical documents, viz. Demat Request Forms (DRF) and share certificates, etc. are not received from their DPs by the Company/Registrar within a period of 14 days from the date of generation of the DRN for dematerialisation, the DRN will be treated as rejected/cancelled. Upon rejection/cancellation of the DRN, a fresh DRF has to be forwarded along with the share certificates by the DPs to the Company/Registrar. This note is only to caution shareholders that they should ensure that their DPs do not delay in sending the DRF and share certificates to the Company/Registrar after generating the DRN.
- 9) Members desiring to have any information on the accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Meeting.
- 10) 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.
- 11) Information u/s 205A read with the Companies Unpaid Dividend (Transfer to General Reserve Account of the Central Government) Rules, 1978 as amended is given below:
 - (i) Pursuant to Section 205 of the Companies Act, 1956 all unclaimed/unpaid dividends up to the financial year ended 31.3.1995 have been transferred to the General Reserve Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, 'EVEREST', 100, Marine Lines, Mumbai by submitting an application in the prescribed form;
 - (ii) Consequent to amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 the amount of dividend for the subsequent years remaining 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 set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 FORMING PART OF THE NOTICE DATED 12th MAY, 2003.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice dated 12th May, 2003 and shall be taken as forming part of the Notice:

Item No.5

The Board at the meeting held on 22.01.02 decided that the Equity Shares of the Company be delisted from Ahmedabad, Jaipur and Delhi Stock Exchanges, subject to approval of the Members at the Annual General Meeting by a Special Resolution. This decision was taken by the Board as the records show that the shares have never been traded in these exchanges since listing. Such delisting, excepting from the Regional Exchange, which in the case of your company is Stock Exchange, Mumbai, is possible only if the prior approval of members by Special Resolution is obtained and other conditions stipulated are completed. As the listing of the Shares in the three exchanges referred to above is not providing any

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reasonable benefit to the Members, the Board has taken the decision. The Fifteenth Annual General Meeting held on 19th July, 2002 had approved delisting of the shares from the above exchanges. However as the decision for issue of Bonus Shares was approved simultaneously, the Company was advised that there may be problems for fixing the weighted average price for the six months preceding delisting application. Some other procedural problems also forced the Board to defer the matter.

As per the recent guidelines issued by SEBI in this regard formalities have been simplified as the shares of the Company are listed and will continue to be listed with the Stock Exchange, Mumbai which has a national reach and no offer for purchase by the management need be given as the shares can be sold through the Stock Exchange, Mumbai nationally.

As per the guidelines framed by the Stock Exchanges read with Section 192A of the Companies Act, 1956 and rules framed thereunder, the delisting of the shares from the above referred Stock Exchanges can be made only by a Special Resolution passed by the members through Postal Ballot. The Postal Ballot Form is enclosed to enable members exercise their voting. The Company has appointed Shri Rajnikant N. Shah, Proprietor of M/s R. N. Shah & Associates, Company Secretaries as Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner. Please read carefully the instructions printed in the postal Ballot Form and return the Form duly completed in all respects in the enclosed self addressed prepaid postal envelope so as to reach the Scrutiniser within 30 days of the despatch of the notice.

The Scrutiniser will submit his report to the Chairman after completion of the scrutiny and the results of the Postal Ballot will be announced by the Chairman at the Sixteenth Annual General Meeting.

Your Board recommends the resolution for your approval.

None of the Directors of the Company is or is deemed to be interested in the resolution.

Item No. 6

Smt. Ami R. Bhansali is a diploma holder in Business Management and is having expertise in designing Jewellery and is having more than seven years' experience in the field as consultant. The Board of Directors at the meeting held on 12th May, 2003

decided to appoint her as an officer of the Company with effect from 01.08.2003, to have the benefit of her knowledge in Management and designing of jewellery subject to such approvals as may be necessary. Since she is a relative of directors of the company, approval by a special resolution of the company is necessary as per provisions of Section 314 of the Companies Act, 1956.

Shri Rashesh M. Bhansali and Shri Manhar R. Bhansali are related to her as Husband and Father in Law and are, therefore, deemed to be interested in the resolution. None of the other directors are or are deemed to be interested in the business.

Your Directors recommend the resolution for your approval.

Item No. 7

M/s Intime Spectrum Registry Ltd., the Share Transfer Agents of the Company have informed that due to their shifting to a new spacious premises all the Statutory Registers and documents pertaining to the Company and maintained by them would be kept at the new premises and would be available for inspection by the members from 26th July, 2003, there.

Section 163 of the Companies Act, 1956 requires the approval of the members by a Special Resolution to keep the above Registers in a place other than the Registered Office of the Company and hence the proposed Resolution. Your Directors recommend to the members to pass the resolution.

None of the Directors of the Company is deemed to be concerned or interested in the above resolution.

Documents for inspection:

The documents referred to in the Notice and Explanatory Statement in Item 5, 6 & 7 above are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days until the date of the Annual General Meeting.

By Order of the Board

Place : Mumbai
Date : 12th May, 2003

M. K. VARMA
Company Secretary

Goldiam International Limited

Directors' Report

Dear Members,

Your Directors have pleasure in presenting this Sixteenth Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2003.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	Year ended 31.3.2003	Year ended 31.3.2002
Sales for the year	13724.42	10104.86
Profit before Interest, depreciation & taxation	1661.90	2415.30
Less Interest :	—	—
Operating profit before depreciation & taxation	1661.90	2415.30
Less: Depreciation	113.22	110.61
Profit before taxation	1548.68	2304.69
Income relating to previous year	—	3.51
Provision for taxation	84.11	227.13
Provision for taxation (written off)/written back	3.66	—
Profit after taxation	1468.23	2081.07
Add: Balance brought forward	2925.90	1743.08
Profit available for appropriation	4394.13	3824.15

DIVIDEND :

The Board considering the fall in returns due to various factors such as Iraq War, recessionary trend prevailing in the United States of America, global fall in value of US Dollar, implications of SARS and uncertainty in the diamond market thought it prudent to recommend dividend @ Rs. 1.50 per share (15%), in order to conserve the resources of the Company for long term benefits to the shareholders.

OPERATIONS :

The turnover for the year under review reached Rs. 13724.42 lacs. The net profit after provision for interest, depreciation and taxation has not maintained

the growth pattern, mainly due to diminution in value of the US Dollar.

BONUS SHARES :

As approved by the members at the 15th Annual General Meeting held on 19th July, 2002 the Company has allotted 6608200 equity shares of Rs. 10/- each as fully paid Bonus shares to those members holding shares on 02.09.02 in the ratio of one share for every share held.

DELISTING OF SHARES :

The members at the last Annual General Meeting had approved the proposal of the Board to have the equity shares of the Company delisted from Ahmedabad, Jaipur and New Delhi Stock Exchanges as there was no transaction of the shares of the Company in these exchanges. However, the decision could not be implemented due to procedural reasons and also in view of the Bonus issue which affected the prices of the shares considerably which would distort the calculation of the weighted average price of the shares as required by the SEBI guidelines in this regard, for acquisition of the shares from shareholders in the regions covered by these exchanges, as it stood then. As the delisting could not be completed within the one year period as stipulated by the SEBI guidelines, members are requested to approve the delisting to be effected under the revised guidelines issued by SEBI. As the Stock Exchanges have preferred to have the Special Resolution passed through Postal Ballot the Shareholders are requested to pass the Special Resolution in this regard through postal ballot.

DEMATERIALISATION :

More than 89% of the Shares of the Company have now been dematerialised. Your Directors would request all the members who have not yet got their holdings dematerialised to do so to enable easy trading of the shares, as the shares of the Company are notified by SEBI for compulsory trading in the dematerialised form.

DIRECTORS :

As per Article 118 of the Articles of Association of the Company, Shri Ajay M. Khatlawala, Director of the Company will retire by rotation and being eligible offer himself for re-appointment. Your Directors recommend his re-appointment.

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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 annual accounts for the financial year ended 31st March, 2003, 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 judgements and estimates that were 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 fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

AUDITORS :

M/s Pulindra Patel & Co., Chartered Accountants, was appointed as the Statutory Auditors of the Company by the Board at the meeting held on 9th September, 2002 to fill the casual vacancy created by the vacation of office by M/s H. S. Gandhi & Co., Chartered Accountants, appointed as Auditors of the Company by the members, at the 15th Annual General Meeting. M/s Pulindra Patel & Co. retire at the forthcoming Annual General Meeting and being eligible have consented for re-appointment. As required under the provisions of the Companies Act, 1956 the Company has received special notice for their re-appointment. Your Directors recommend their re-appointment.

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

As required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 the information is 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 the Particulars in the Report of Board of Directors) Rules, 1988.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company's main line of business is the manufacture and export of Studded Gold Jewellery. The Company has achieved a growth in exports during the current year 2002-2003 with Export Turnover of Rs.13724.42 lacs as compared to Rs. 10104.86 lacs in the previous year, 2001-2002.

Total Foreign Exchange used : Rs. 86,28,64,117.00

Total Foreign Exchange earned : Rs. 1,37,91,07,396.00

PARTICULARS OF EMPLOYEES :

Particulars of employees as required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies Amendment Act, 1988 are annexed hereto forming part of this report.

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 Unions of Employees, but for which the performance of the Company would not have reached the remarkable levels it has achieved, and thank them for the same.

For and on behalf of the Board of Directors

MANHAR R. BHANSALI
Chairman

Place: Mumbai

Dated: 12th May, 2003

*Goldiam International Limited***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 the Particulars in the Report of Board of Directors) Rules, 1988

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

The Company is now looking at newer technologies to manufacture diamond studded gold jewellery, fusion between lost wax casting process + stamping + jewellery. This type of jewellery is now very appealing in the international markets.

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

From the above fusion the Company has achieved a much higher volume of sales and hopes to achieve better margins this coming year.

- 3) Future Plans of Action

Retail industry looks very interesting in domestic market. The Company has stake in a factory outside SEZ area too; and that will produce to meet local demand of jewellery, which the Company will retail in its own shops.

- 4) Expenditure on R & D

As stated above the R&D is a continuous process and the expenditure is not specifically earmarked for the same and is debited to the general manufacturing expenses:

Capital, Recurring, NIL

Total R & D Expenditure as % to total turnover: N.A

Technology absorption, adaptation and innovation:

- 1) Efforts, in brief, made towards absorption, adaptation and innovation:

With the introduction of Invisible Setting in Diamond Studded Jewellery and Princess Cut Diamond Grooving Machinery, the Company has enhanced its export potential and value addition.

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

The benefit is being reflected in the areas of competitiveness and higher turnover.

- 3) In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished:

- | | |
|-------------------------|--------------------|
| a) Technology imported, |) The Company |
| |) has not imported |
| b) Year of Import, |) any Technology |
| | since its |
| c) Has Technology been |) formation. |
| fully absorbed, and | |
| d) If it is not fully |) |
| absorbed, areas |) |
| where this has |) |
| not taken place, |) |
| reasons therefor |) |
| and future |) |
| plans of action. |) |