

Annual Report
2011-2012



**Goldiam
International
Limited**

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

BOARD OF DIRECTORS

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

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

COMPANY SECRETARY & COMPLIANCE OFFICER

ANITA KATE
e-mail: investorrelations@goldiam.com

AUDITORS

PULINDRA PATEL & CO.,
Chartered Accountants

BANKERS

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

REGISTERED OFFICE

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

DIAMOND PROCUREMENT OFFICE

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

REGISTRAR AND TRANSFER AGENTS

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

LISTING

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

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

DEMAT DETAILS

ISIN: INE025B01017

TWENTY FIFTH ANNUAL GENERAL

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

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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued **Circular No. 17/2011 dated 21st April, 2011 and Circular No.18/2011 dated 29th April, 2011** stating that service of notices/ documents including Annual Reports can be made by e-mail to its members. This is also a golden opportunity for every shareholder of the Company to contribute to this initiative of the Government. By opting to receive communication through electronic mode, you also have the benefit of receiving communication promptly and avoiding loss in postal transit, besides helping save costs on paper and on postage, reducing paper consumption and saving trees. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their respective Depository Participants. Members who hold shares in physical form are requested to inform their e-mail addresses to the Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd.

NOTICE

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

ORDINARY BUSINESS:

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

By Order of the Board of Directors

Place: Mumbai

Date: 26th May, 2012

Regd. Office:

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

ANITA KATE
Company Secretary

NOTES:

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

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

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

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

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

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

DIRECTORS' REPORT

Dear Members,

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

FINANCIAL RESULTS:

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

OPERATIONS:

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

DEPOSITS:

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

DIVIDEND:

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

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

SUBSIDIARY COMPANIES:

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

DEMATERIALISATION:

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

DIRECTORS:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

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

AUDITORS:

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

REPORT ON CORPORATE GOVERNANCE:

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

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

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

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION:

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

PARTICULARS OF EMPLOYEES:

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

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 26th May, 2012

MANHAR R. BHANSALI
CHAIRMAN

ANNEXURES FORMING PART OF THE DIRECTORS' REPORT

ANNEXURE – I

FORM B

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

Research & Development:

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

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

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

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

3. Future plan of action

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

4. Expenditure on R & D

R & D is a continuous process and the expenditure is

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

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

Technology absorption, adaptation and innovation:

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and developments:

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

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

Opportunities and Threats:

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

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

Segment-wise Performance:

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

Risks and Concerns:

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

Bullion Risk:

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

Raw Material Supplies Risk:

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

Currency Risk:

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

Geography Risk:

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

Outlook:

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

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

Internal Control and its adequacy:

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

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

Financial Performance:

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

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

Material developments in Human Resources/Industrial Relations:

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

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

Cautionary Statement:

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

REPORT ON CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

This has been carried elsewhere in the Annual Report.

BOARD OF DIRECTORS:

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

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

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

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

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

BOARD MEETINGS HELD:

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

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

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

COMMITTEES OF THE BOARD:**A) AUDIT COMMITTEE:**

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

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

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