

Annual Report

1996-97

MD	☒	BKC	☒
CS	☒	DPY	☒
RO	☒	DIV	☒
TRA	☒	AC	☒
ACM	☒	SHI	☒
YE	☒		



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**Goldiam
International
Limited**

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

Goldiam International Limited

72-2221

BOARD OF DIRECTORS

MANHAR R. BHANSALI
RASHESH M. BHANSALI
KAMAL R. BHANSALI
CHANDRESH A. MEHTA
VIMAL N. SEDANI
AJAY KHATLAVALA
RAJESH KAPADIA

CHAIRMAN
MANAGING DIRECTOR

SECRETARY

VIMAL MASRANI

AUDITORS

H.S.GANDHI & CO.
CHARTERED ACCOUNTANTS

BANKERS

STATE BANK OF INDIA
PUNJAB NATIONAL BANK

REGISTERED OFFICE

Gems & Jewellery Complex,
MIDC, SEEPZ, Andheri (East),
Mumbai 400 096

BRANCH OFFICE

104, PRASAD CHAMBERS,
OPERA HOUSE, MUMBAI - 400 004.

REGISTRARS AND TRANSFER AGENTS

ON-TIME PROFESSIONAL SERVICES PRIVATE LIMITED
NO.3, R.R.THAKKAR MARG, JAI BHAVANI PREMISES,
MALABAR HILL, MUMBAI 400 006
TEL.: 367 77 84 / 367 19 57
FAX : 367 19 67

*Annual Report 1996-97***NOTICE**

NOTICE is hereby given that the 10th Annual General Meeting of the members of GOLDIAM INTERNATIONAL LIMITED will be held on Monday, the 11th August, 1997 at 4.00 p.m. at Vishal Hall, Vishal Shopping Centre, Andheri-Kurla Road, near Andheri Railway Station, Andheri (East), Mumbai 400 069, 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, 1997.
2. To declare Dividend .
3. To appoint a Director in place of Shri Manhar R. Bhansali who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Rajesh Kapadia who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. H.S.Gandhi & 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

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :
"RESOLVED THAT subject to the provisions

of section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the terms of remuneration of:

SHRI RASHESH M. BHANSALI,
Managing Director.

SHRI CHANDRESH A. MEHTA,
Whole Time Director.

SHRI VIMAL N. SEDANI,
Whole Time Director.

(hereinafter referred to collectively, as "Working Directors") for the remaining period of their tenure of office, effective April 1, 1997, as set out below:

PART A**SALARY**

- (1) Shri RASHESH M. BHANSALI, Managing Director. Rs. 70,000/- Per Month.
- (2) Shri CHANDRESH A. MEHTA, Whole Time Director. Rs. 30,000/- Per Month.
- (3) Shri VIMAL N. SEDANI, Whole Time Director. Rs. 30,000/- per Month.

PART B

- (1) Shri RASHESH M. BHANSALI, Managing Director.
 - (a) Medical Reimbursement : Reimbursement of expenses incurred subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
 - (b) Leave Travel Concession : Leave Travel Concession for Mr. Rashesh M. Bhansali and his family once in a year

Goldiam International Limited

incurred in accordance with the rules of the company for the time being in force.

(c) Club Fees : Fees of two clubs.

(d) Personal Accident Insurance : Premium not exceeding Rs.5,000/- per annum.

(e) Car with driver for office use.

(f) Telephone at residence subject to personal long distance calls to be reimbursed to the company.

FURTHER RESOLVED THAT the entitlement of all Working Directors to usual benefits such as Bonus, Gratuity (subject to a ceiling of Rs.1,00,000/- per director), privilege leave are also approved.

FURTHER RESOLVED THAT commission out of net profit as computed under the Companies Act, 1956, subject to ceiling prescribed under the Companies Act to working directors, of such amount and in such proportion as may be approved by the Board of Directors from time to time.

FURTHER RESOLVED THAT subject to ceiling fixed under Schedule XIII of the

Companies Act, 1956, and amendment made thereto the Board of Directors may from time to time increase the salary, perquisites, allowances and provide the commission in such ratio among the working directors, the aggregate of the same for all the working directors taken together shall not exceed Rs. 100 lacs subject to the limit of 10% of the profit of the company calculated in accordance with Section 198 and 309 of the Companies Act, 1956.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any year, the salary payable to Working Directors shall be governed by section II of Schedule XIII of the Companies Act, 1956, or any statutory modification thereto.

For and on behalf of the Board

Place : Mumbai **Manhar R. Bhansali**
 Dated : 27th June, 1997 **Chairman**
 Regd. Office:
 Gems & Jewellery Complex,
 SEEPZ, Andheri (East),
 Mumbai 400-096.

*Annual Report 1996-97***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 however be deposited at the company not less than 48 hours before the commencement of the meeting.
- 3) An explanatory statement pursuant to section 173(2) of the Companies act, 1956 in respect of special business mentioned above is annexed hereto.
- 4) The register of members and Share transfer books will remain closed from Saturday 26th July, 1997 to Monday 11th August, 1997 (both days inclusive)
- 5) Dividend on shares as recommended by the board, if sanctioned at the meeting shall be paid to those members whose names appear on the register of members of the company as on 11th August, 1997.
- 6) Members are requested to furnish particulars relating to Saving/Current bank account number and the name of the bank with whom such account is held to enable the Company to print the said details in the Dividend Warrants after the name of the payee to ensure against their misappropriation.
- 7) Members are requested to notify to the registrar at the address as mentioned above, the changes if any, in the address in full with the postal area pin code number quoting their folio numbers.
- 8) Members desiring 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.

- 9) 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.

- 10) The unpaid Dividends that are due for transfer to the Central Government are as follows,

Financial Year ended	Due for Transfer on
31.03.1995	03.10.1998
31.03.1996	26.09.1999

Members who have not encashed their dividend warrants for the aforesaid financial years are requested to approach the company's Registrar & Transfer Agents, for obtaining duplicate dividend warrants.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO.6

Shri RASHESH M.BHANSALI, Managing Director.

Shri CHANDRESH A. MEHTA, Whole Time Director.

Shri VIMAL N. SEDANI, Whole Time Director.

(hereinafter referred to as "Working Directors") remuneration has been increased by the

Goldiam International Limited

Board of Directors effective from 1st April, 1997 by a resolution passed at the Board Meeting. Working Directors have wide and rich experience in the field of Gems and Jewellery. The Board of Directors considering their experience, abilities and increased business, recommends the increase in remuneration of Working Directors. Their terms of remuneration are given in the resolution.

This explanatory statement together with the accompanying notice may be treated as an abstract of the terms and conditions of service of Shri Rashesh M. Bhansali, Managing Director Shri Chandresh A. Mehta, Whole Time Director, and Shri Vimal N. Sedani, Whole Time Director and Memorandum of interest under Section 302 of the Companies Act, 1956.

In case of Shri Rashesh M. Bhansali, none of

the Directors except Shri Rashesh M. Bhansali, Shri Manhar R. Bhansali and Shri Kamal R. Bhansali are deemed to be concerned or interested in this resolution.

In case of Shri Chandresh A. Mehta, none of the Directors except Shri Chandresh A. Mehta is deemed to be concerned or interested in this resolution.

In case of Shri Vimal N. Sedani, none of the Directors except Shri Vimal N. Sedani is deemed to be concerned or interested in this resolution.

For and on behalf of the Board

Manhar R. Bhansali

Place : Mumbai Chairman

Dated : 27th June, 1997

EXPLANATORY STATEMENT
TO SECTION 302 OF THE COMPANIES

ACT, 1956

AND

MEMORANDUM OF INTEREST

OF

SHRI RASHESH M. BHANSALI, SHRI

CHANDRESH A. MEHTA, SHRI

VIMAL N. SEDANI, MANAGING DIRECTOR, WHOLE

TIME DIRECTOR AND MEMORANDUM OF

INTEREST UNDER SECTION 302 OF THE COMPANIES

Annual Report 1996-97

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting their Tenth Annual Report on the affairs of Company together with Audited statement of Accounts for the year ended 31st March, 1997.

(Rupees in Lacs)

	Year ended 31.03.1997	Year ended 31.03.1996
FINANCIAL RESULTS		
Sales for the year	7,043.38	5,808.17
Profit Before Interest Depreciation and Taxation	744.38	540.71
Less : Interest	125.96	99.22
Operating Profit before Depreciation	618.42	441.49
Less : Depreciation	104.07	39.76
Profit before Taxation	514.35	401.73
Provision for Taxation	0.53	0.57
Profit after Taxation	513.82	401.16
Add : Balance brought forward	8.61	1,089.66
Profit Available for Appropriation	522.43	1,490.82

STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT**1. Profitability**

(Rupees in lacs)

	Projected for the year 1996-97	Actual for the year 1996-97
Sales/Income from operations	10,000	7,043
Profit before Interest Depreciation & Tax	943	744
Profit after Tax	650	514

The Company has achieved a higher growth in terms of quantities produced. The quantities produced were of low priced jewellery which was more in demand in the International Market. The Company is happy to state that it has achieved the higher profit in terms of prospectus with turnover of 7043 lacs.

DIVIDEND

Your Directors are pleased to recommend a Dividend @ 21% on Equity Shares, for the year ended 31st March, 1997 against 20% for the previous year.

OPERATIONS

The turnover for the year under review increased from Rs 5808.17 lacs to Rs 7043.38 lacs in the previous year registering a growth of 21.27% & the Gross Profit and the Net Profit after tax registered a growth of 37.67% and 28.08% respectively.

AUDITOR'S REPORT

With regards to qualification for the non provisions of gratuity and leave encashment benefit of retirement, the gratuity, leave encashment charged to revenue account on the basis of actual payment.

PARTICULARS OF EMPLOYEES

Particulars of employees within the meaning 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 given in the Annexure forming part of this report.

DIRECTORS

As per article 118 of the Articles of Association of the Company Shri Manhar R. Bhansali and Shri Rajesh Kapadia Directors will retire by rotation and being eligible offers themselves for reappointment.

The remuneration of Shri. Rashesh M. Bhansali, Managing Director and Shri. Chandresh A. Mehta and Shri. Vimal N. Sedani whole time Directors have been increased with effect from 1st April, 1997.

The Board recommends increase in remuneration.

AUDITORS

M/S H.S. Gandhi & Co. Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for reappointment.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, requires that the information regarding conservation of

Goldiam International Limited

energy, technology absorption and foreign exchange earning and outgo be stated in the Directors report.

A. CONSERVATION OF ENERGY

The Particulars regarding conservation of energy is not applicable to the Company as

FORM 'B'

Form for disclosure of particulars with respect to (R&D).

- (1) Specific areas in which R&D is carried out by the Company.
- (2) Benefits derived as a result of the above R&D.
- (3) Future Plans of Action
- (4) Expenditure on R&D
 - (a) Capital
 - (b) Recurring
 - (c) Total
 - (d) Total R&D expenditure as a % of total turnover.

Technology absorption, adaption and innovation.

- (1) Efforts in brief, made towards absorption, adaption and innovation
- (2) Benefit derived as a result of the above efforts e.g. product, improvement cost reduction, product development, import substitution etc.
- (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

the Diamond Industry is not covered by the schedule prescribed by the said Rules.

B. TECHNOLOGY ABSORPTION

The Particulars regarding Absorption of technology is given as per the Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Technology Absorption, Research and Development

Cutting and Polishing of Diamonds and manufacture of Jewellery as per International Standards are the areas in which General Research and Development work is carried out by the company.

In the Diamond business the Company would achieve better productivity where as in jewellery there will be a potential for increase in sales due to the above activities

The Company is planning to import machineries from foreign countries to effort further cost reduction and improved productivity.

Included in the Manufacturing Cost.

The Company has ordered Princess Cut Diamond Grooving Machine, with this the company will enter new segment in Jewellery known as Invisual setting of Diamond Jewellery This will enhance the further value additions for coming year.

The benefit will be reflected in the areas of higher profitability and cost reduction.