

Annual Report

2008-2009



**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
DR. R. SRINIVASAN

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

COMPANY SECRETARY & COMPLIANCE OFFICER

RACHANA V. VORA
e-mail: investorrelations@goldiam.com

AUDITORS

PULINDRA PATEL & CO.,
Chartered Accountants

BANKERS

Hongkong & Shanghai Banking Corporation Ltd.
HDFC Bank Ltd.
Punjab National Bank
Barclays Bank PLC

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

REGISTRARS AND TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.
(Formerly known as Intime Spectrum Registry Ltd.)
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
MUMBAI – 400 078.
Tel no.: 25963838 Fax: 25962691
e-mail: helpline@linkintime.co.in

BRANCH AT:

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

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 SECOND ANNUAL GENERAL MEETING

will be held
on Friday, 25th September, 2009 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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NOTICE

NOTICE is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the Members of GOLDIAM INTERNATIONAL LIMITED will be held on Friday, 25th September, 2009 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 to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account of the Company and the Auditors' Report thereon for the year ended on 31st March, 2009.
- 2 To appoint a Director in place of Mr. Ajay M. Khatlawala who retires by rotation and, being eligible, offers himself for re-appointment.
- 3 To appoint M/s. Pulindra Patel & Co., Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this 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 June, 2009

Regd. Office:

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

RACHANA V. VORA

Company Secretary

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.

The instrument appointing proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

- 2) The Register of Members and Share Transfer Books will remain closed from Wednesday, 16th September, 2009 to Friday, 25th September, 2009 (both days inclusive).
- 3) 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.
- 4) Members, who hold shares in dematerialised form, are requested to inform their Client ID number and DP ID number to enable easier identification for the purpose of attendance at the meeting.
- 5) Members 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 Demat Request Number (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.

- 6) Members desirous of obtaining any information concerning 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.
- 7) 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.
- 8) 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 31.03.1995 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, CGO Complex, 2nd floor, "A" Wing, CBD-Belapur, Navi Mumbai 400 614 by making 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 is to 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 claims against the Fund. Accordingly the unpaid/unclaimed dividend amount for the years ended on 31.03.1996, 31.03.1997, 31.03.1998, 31.03.1999, 31.03.2000 and 31.03.2001 have been transferred to the Fund. The unpaid/unclaimed dividend amount for the year ended on 31.03.2002 will be transferred in August, 2009. Members who have not so far encashed their dividend warrant(s) for any subsequent years are requested to seek the issue of the duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd. (Formerly known as Intime Spectrum Registry Ltd.)

By Order of the Board of Directors

Place: Mumbai

Date: 26th June, 2009

Regd. Office:

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

RACHANA V. VORA

Company Secretary

Goldiam International Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this Twenty Second Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2009.

FINANCIAL RESULTS:

(Rupees in Lacs)

	Year ended 31.3.2009	Year ended 31.3.2008
Sales for the year	<u>5593.97</u>	<u>9411.43</u>
Profit before Interest, depreciation & taxation	(1217.39)	270.63
Less: Interest & Finance Charges	<u>14.07</u>	<u>36.43</u>
Operating profit before depreciation & taxation	(1231.46)	234.20
Less: depreciation, amortization & impairment of asset	<u>163.45</u>	<u>182.45</u>
Profit before taxation	(1394.91)	51.75
Provision for taxation	(32.60)	62.13
Profit after taxation	(1362.31)	(10.38)
Add: Balance brought forward	<u>8519.14</u>	<u>8529.52</u>
Profit available for appropriation	<u>7156.83</u>	<u>8519.14</u>

OPERATIONS:

The economic slowdown has had an adverse impact on the Gems and Jewellery Industry. Jewellery being a luxury item, the downturn has adversely affected the operations and consequently the financials of the Company.

The Company has, during the year under report, scaled down its operations in the Retail Silver Jewellery Segment distributed under the Brand name 'OLA'. The Company has pulled out from retail outlets and the business will be carried on only from the Company's diamond procurement office. This has enabled the Company to control its overheads.

The turnover for the year under report was Rs.5593.97 lacs as compared to Rs.9411.43 lacs for the previous year. The Company has incurred a net loss of Rs.1362.31 lacs as compared to a net loss of Rs.10.38 lacs for the previous year which can be attributed to the on-going economic slowdown in the global markets and surge in the input costs i.e. gold and diamonds.

A Voluntary Retirement Scheme was launched for the employees during the year under report to rationalize the surplus manpower so as to retain the viability and competitiveness of the Company and improve its efficiency. Pursuant to the scheme, 488 employees have opted for voluntary retirement and have been relieved from the services of the Company.

DEPOSITS:

The Company has not invited/accepted any deposit from the public during the year ended 31st March, 2009. There were no unclaimed or unpaid deposits as on 31st March, 2009.

DIVIDEND:

As the Company has incurred a loss of Rs.1362.31lacs, your directors regret their inability to recommend any dividend for the year under report.

BUY-BACK OF EQUITY SHARES:

Pursuant to the members' resolution passed by postal ballot voting process, the results whereof were declared on 21st April, 2008, to buy-back fully paid-up equity shares of the Company upto a limit not exceeding 5.5% of the paid-up share capital and free reserves of the Company as on 31st March, 2007 i.e. Rs.93,752,317/- (Rupees Nine Crores Thirty Seven Lacs Fifty Two Thousand Three Hundred and Seventeen only) at a maximum price not exceeding Rs.85/- (Rupees Eighty Five only) per equity share from the open market through the Stock Exchanges, the Company has, during the year under review, bought back entire number of shares authorised to be bought back i.e. 14,86,804 equity shares for an aggregate value of Rs. 5.93 crores.

SUBSIDIARY COMPANIES:

The Company has, during the year under report, incorporated a wholly owned subsidiary in U.S.A., viz. Goldiam USA, Inc., which will be better placed to market jewellery to U.S.A., the prime export destination of the Company, and to cater to the customer requirements more efficiently and effectively. As per the provisions of Section 212(1) of the Companies Act, 1956 copies each of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies, viz. M/s. Diagold Designs Limited, M/s. Goldiam Jewels Limited, M/s. Goldiam Jewellery Limited, M/s. Goldiam HK Limited and M/s. Goldiam USA Inc. and step-down subsidiary OOO Tiara Jewels are attached to this Annual Report Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statement is also attached. The turnover and profits of the subsidiaries are given below:

Subsidiary	Turnover (Rs.)	Profit (Rs.)
1. Diagold Designs Limited	5539.33 lacs	(230.84 lacs)
2. Goldiam Jewels Limited	1029.85 lacs	13.11 lacs
3. Goldiam Jewellery Limited	4846.88 lacs	921.85 lacs
4. Goldiam HK Limited	6930.37 lacs	84.51 lacs
5. Goldiam USA, Inc.*	256.61 lacs	(46.65 lacs)
6. OOO Tiara Jewels**	—	(0.91 lacs)

* Goldiam USA, Inc. started its commercial operations from 15th October, 2008

** Subsidiary of Diagold Designs Limited

DEMATERIALISATION:

More than 97% of the shares of the Company have now been dematerialised. Your Directors request all the members who have not yet got their holdings dematerialised to do so to enable easy trading of the shares, as SEBI has made it compulsory for the shares of the Company to be traded in dematerialised form.

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DIRECTORS:

As per the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ajay M. Khatlawala, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers 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 annual accounts for the financial year ended 31st March, 2009, 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, 2009 on a 'going concern' basis.

AUDITORS:

M/s. Pulindra Patel & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible have consented for re-appointment. Your Directors recommend 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:

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 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 Export Turnover of Rs.4811.73 lacs during the year under review, 2008-2009, as compared to Rs.8942.46 lacs in the previous year, 2007-2008.

Total Foreign Exchange used : 279,226,123/-

Total Foreign Exchange earned : 479,961,758/-

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 by the Companies (Amendment) Act, 1988.

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 June, 2009

MANHAR R. BHANSALI
CHAIRMAN

*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 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**

Goldiam has carried out extensive research in gold recovery. With the implementation of better techniques of gold recovery, the percentage of gold recovered is higher and wastage has gone down considerably. 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.

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 thereby increase the revenue and profitability.

3. Future Plans 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:

Capital, Recurring	NIL
Total R & D expenditure as a percentage of total turnover	N.A.

Technology absorption, adaptation and innovation:**1. Efforts, in brief, made towards absorption, adaptation and innovation:**

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

2. Benefit 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 competitiveness and substantial cost reduction.

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
b) Year of import) not imported any
c) Has Technology been) Technology.
fully absorbed and)
d) if it is not fully)
absorbed, areas where)
this has not taken)
place, reasons)
there for and future)
plans of action.)

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MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and developments:

Gems and Jewellery is ranked amongst the fastest growing sectors in the Indian Economy and is also a leading sector for foreign exchange generation. India is gaining prominence as an international sourcing destination for high quality designer jewellery and is one of the largest exporters of gems and jewellery and is the diamond polishing capital of the world. India is the largest consumer of gold jewellery in the world and accounts for about 20% of world consumption. India has several well recognized strengths which have made it a significant force in the global Gems and Jewellery business, viz. highly skilled yet low-cost labour, established manufacturing excellence in jewellery and diamond polishing, the most technologically advanced diamond cutting center in the world and an ability to leverage India's strengths to address the global market.

According to the Gems & Jewellery Export Promotion Council (GJEPC), India's gems and jewellery exports posted a modest growth of 1.45 per cent during 2008-09 at US\$ 21.11 billion, primarily driven by gold jewellery exports, against \$20.92 billion clocked in 2007-08.

Opportunities and Threats:

Manufacturing excellence, rich heritage of craftsmanship with high level of skills, creation of exquisite designs and production of high volumes at low cost will facilitate in positioning India as the global destination for all jewellery products. The removal of the import restrictions on worked corals will also favour the industry.

The evolution in the trends in the consumption of jewellery products are an encouragement for the jewellery industry. The Company's focus on emerging markets like Middle East, Thailand, UK, Russia and Japan, will greatly benefit the Company.

Economic slowdown is one of the major threats faced by the Company. Jewellery being a luxury item, downturn means less spending by the customers and the resultant decline in the turnover. Also, the absence of any substantially favourable Government policies, incentives 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 earned revenue of Rs.5692.79 lacs in the jewellery segment and revenue of Rs.406.23 lacs in investment activities.

Risks and Concerns:

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

Bullion Risk:

With gold forming approximately 30% of the cost of the finished product, the Company is exposed to bullion risk. The Company hedges its outstanding position mitigating the risk associated with the volatility in the gold prices.

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 and the Company hedges majority of its receivables to mitigate the risks arising therefrom.

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, UK, Russia and Japan.

Outlook:

The overall economic slowdown and particularly in the jewellery industry remain a concern for the profitability in the industry in the short term. However, with the cautious approach adopted by the Company which is expected to cushion the adverse impact of declining exports, the Company is well-poised to meet the dynamic challenges faced by the industry in the short as well long term.

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 turnover of the Company for the financial year ended on 31st March, 2009 was Rs.5593.97 lacs as compared to Rs.9411.43 lacs for the previous financial year registering a decline of 40.56%. The Company has incurred a net loss of Rs.1362.31 lacs as compared to a net loss of Rs.10.38 lacs for the previous year which can be attributed to the on-going economic slowdown in the global markets and surge in the input costs i.e. gold and diamonds.

Material developments in Human Resources/Industrial Relations:

The Company considers its human resources as amongst its most valuable assets. However, with an objective of rationalizing the surplus manpower, the Company had during the year under report launched a Voluntary Retirement Scheme for the employees to retain the viability and competitiveness of the Company and improve its efficiency. Pursuant to the scheme, 488 employees have opted for voluntary retirement and have been relieved from the services of the Company.

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 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, statute and other incidental factors.

Goldiam International Limited

REPORT ON CORPORATE GOVERNANCE

Your Directors are pleased to submit their report on the Corporate Governance of the Company for the Financial Year 2008-2009.

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.

MANAGEMENT DISCUSSION AND ANALYSIS:

This has been carried elsewhere in the report.

BOARD OF DIRECTORS:

Composition of the Board of Directors as on 31.03.2009 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.

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	11	4	3
Mr. Ajay M. Khatlawala	Independent-Non-Executive	nil	nil	nil
Dr. R. Srinivasan	Independent-Non-Executive	8	4	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.

Brief profile of the Director seeking re-election:

Mr. Ajay M. Khatlawala is a leading Advocate and a partner in M/s. Little & Co., a reputed firm of Advocates, Solicitors and Notaries. He is Legal Advisor to various private and public sector companies and statutory corporations. He is on the Board of the Company since 1994.

Mr. Ajay M. Khatlawala holds 6000 shares constituting 0.023% of the paid-up share capital of the Company.

BOARD MEETINGS HELD:

Five Board meetings were held during the year ended on 31st March, 2009. These were held on 30th June, 2008, 19th July, 2008, 31st July, 2008, 24th October, 2008 and 30th January, 2009.

Attendance of each director at the Board meetings held during the financial year ended 31.03.2009 and the last AGM:

Director	No. of Board meetings held	No. of Board meetings attended	Last AGM YES/NO
Mr. Manhar R. Bhansali	5	5	YES
Mr. Rashesh M. Bhansali	5	5	YES
Mr. Rajesh G. Kapadia	5	5	YES
Mr. Ajay M. Khatlawala	5	5	YES
Dr. R. Srinivasan	5	3	YES

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COMMITTEES OF THE BOARD:

A) AUDIT COMMITTEE:

The Audit Committee met on 30th June, 2008, 31st July, 2008, 24th October, 2008 and 30th January, 2009. The Audit Committee oversees the general accounting practices and other management policies. The meeting held on 30th June, 2008 reviewed the Annual Accounts of the Company for the financial year 2007-2008 and approved the same. The other three meetings 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	4
Mr. Ajay M. Khatlawala	Member	4
Dr. R. Srinivasan	Member	2

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 consider and approve transfer of shares in physical form and other allied matters. 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.

SHAREHOLDER / INVESTOR SERVICE:

Shareholder/Investor service is handled by the Company Secretary who provides timely services. The Company received 18 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. Rachana V. Vora, Company Secretary.

DETAILS OF REMUNERATION PAID TO THE DIRECTORS IN 2008-09: (Amt. in Rs.)

(a) Remuneration paid to Executive Directors:

Name	Salary	Bonus	Other perks	Commission	Total
Mr. Manhar R. Bhansali	nil	nil	nil	nil	nil
Mr. Rashesh M. Bhansali	nil	nil	nil	nil	nil

(b) Remuneration paid to Non-Executive Directors:

Name	Sitting Fees	No. of Shares held
Mr. Rajesh G. Kapadia	70,000	2,000
Mr. Ajay M. Khatlawala	70,000	6,000
Dr. R. Srinivasan	40,000	nil

GENERAL BODY MEETINGS:

a) The details of the last three Annual General Meetings:

Financial Year	Date & Time	Location	Special Resolution passed
2005-2006	28.07.2006 3.00 p.m.	"VISTA", 30 th Floor, World Trade Centre, Cuffe Parade, Mumbai 400 005	No special resolution passed
2006-2007	05.09.2007 4.00 p.m.	"ORCHID" Room, 2 nd floor, Sunville Banquet & Conference Rooms, 9, Annie Besant Road, Worli, Mumbai 400 018	No special resolution passed
2007-2008	26.09.2008 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

Goldiam International Limited

Extra-Ordinary General Meetings:

Financial Year	Date & Time	Location	Special Resolution passed
2005-2006	24.02.2006 3.00 p.m.	'Tribune 1' Banquet Hall, 6 th floor, Hotel Tunga International, MIDC Central Road, Andheri (East), Mumbai 400 093	Preferential allotment of 5,50,000 equity shares of Rs.10/- each.
2006-2007	24.04.2006 4.00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber Bldg., Churchgate, Mumbai 400 020	i) Increase in the Authorised Share Capital of the Company from Rs.27,00,00,000/- to Rs.31,00,00,000/- divided into 3,10,00,000 equity shares of Rs.10/- each. ii) Preferential allotment of 32,48,000 Fully Convertible Warrants representing an equal number of equity shares of Rs.10/- each.

b) Special Resolution passed through Postal Ballot:

The Company had towards the end of the financial year 2007-2008 conducted postal ballot for passing as Special Resolutions the resolutions pertaining to the buy-back of equity shares of the Company and alterations in the objects to be pursued by the Company by inserting a new sub-clause relating to the development of infrastructure, residential, commercial, industrial etc. properties after the existing sub-clauses in the Main Objects of the Memorandum of Association of the Company. Mr. R. N. Shah, Proprietor, M/s. R. N. Shah & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot voting process. The results of the said postal ballot were declared on April 21, 2008. Both the resolutions were passed as Special resolutions with 99.99% votes cast in favour of the resolution.

SUBSIDIARIES:

Diagold Designs Limited and Goldiam Jewellery Limited, subsidiaries of the Company, are non-listed material Indian subsidiaries in terms of Explanation I to Clause 49(III) of the Listing Agreement of the Company with the Stock Exchanges with their respective turnover exceeding 20% of the consolidated turnover of the holding company with all its subsidiaries. In terms of Clause 49(III)(i) of the Listing Agreement, Mr. Rajesh G. Kapadia, Independent Director on the Board of Directors of the Company, has been appointed on the Board of Directors of both the non-listed material Indian subsidiaries.

DISCLOSURES:

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts-Schedule 14, Note No.3, 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.

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 year under review 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.

MEANS OF COMMUNICATION:

The quarterly, half yearly and annual 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". Annual Reports are despatched to all the shareholders. These results are uploaded on the EDIFAR website and are also made available on the website of the Company, www.goldiam.com. No presentation to institutional investors or analysts was made during the year. Management discussion and Analysis is part of the Annual Report.