

Annual Report

2013-2014



**Goldiam
International
Limited**

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

BOARD OF DIRECTORS

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

CHAIRMAN
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 Ltd.
YES Bank Limited
Standard Chartered Bank
Punjab National Bank
Citibank N.A.

REGISTERED OFFICE

Gems & Jewellery Complex,
M.I.D.C, SEEPZ, Andheri (East),
Mumbai - 400 096
E-mail: goldiam@vsnl.com Website: www.goldiam.com

DIAMOND PROCUREMENT OFFICE

The Capital, Office No.1107, A Wing,
11th Floor, Plot No.C-70, G-Block,
Bandra (East), Mumbai - 400 051.

REGISTRAR AND TRANSFER AGENTS

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

LISTING

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
National Stock Exchange of India Limited
"Exchange Plaza", Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

DEMAT DETAILS

ISIN: INE025B01017

TWENTY SEVENTH ANNUAL GENERAL MEETING

will be held on Tuesday, 30th September, 2014
at 10.30 a.m. at 'TRIBUNE 1' Banquet hall, 6th Floor,
Hotel Tunga International, M.I.D.C Central Road,
Andheri (East), Mumbai - 400 093.

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IMPORTANT COMMUNICATIONS TO MEMBERS

- A) As per the Securities and Exchange Board of India (SEBI) circular no.CIR/MRD/DP/10/2013 dated March 21, 2013, for distribution of dividend or other cash benefits in electronic mode of payments like National Electronic Clearing Service (NECS), Electronic Clearing Services (ECS), RTGS and NEFT shall be used, for which registrar and transfer agent of the Company shall be required to maintain the bank account details of the investors.

Also as per the SEBI Circular, in case the details like MICR no., IFSC no. etc. required for effecting electronic mode of payments are not available, physical payment instrument i.e. dividend warrants etc., will be used and on such physical payment instrument the bank account details of the investor shall mandatorily be printed.

Therefore, Members who have not updated their bank account particulars and are desirous of availing the facility of National Electronic Clearing Service (NECS) for receiving direct credit of the dividends declared in future, if any, in their Bank account are advised to submit particulars of their bank account viz. name and address of the branch of the bank, 9 digit MICR code of the bank and branch, type of account and the account number along with a blank cancelled cheque:

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

GOLDIAM INTERNATIONAL LIMITED

CIN: L36912MH1986PLC041203

Registered Address: Gems & Jewellery Complex, M.I.D.C., Seepz, Andheri (East), Mumbai – 400 096.

Tel: (022) 2829 1893, 2829 0396, 2829 2397 • Fax: (022) 2829 2885, 2829 0418

Email: goldiam@vsnl.com • Website: www.goldiam.com

NOTICE

NOTICE is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Members of GOLDIAM INTERNATIONAL LIMITED will be held on Tuesday, 30th September, 2014 at 10.30 a.m. at TRIBUNE 1' Banquet hall, 6th Floor, Hotel Tunga International, M.I.D.C Central Road, Andheri (East), Mumbai - 400 093 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend on equity shares for the year ended on 31st March, 2014.
3. To appoint a Director in place of Mr. Manhar R. Bhansali, (Holding DIN 00058699) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint the Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, M/s. Pulindra Patel & Co., Chartered Accountants, (Firm Registration No 115187W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, and to fix their remuneration.

SPECIAL BUSINESS:

To pass with or without modification(s) the following resolutions as an **Ordinary Resolution**:

5. "RESOLVED THAT, Pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder and the Articles of Associations of the Company, Mrs. Ami R. Bhansali (DIN 00057937), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th August, 2014 and who holds office until the date of the Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retire by rotation".
6. "RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajesh G. Kapadia (DIN: 00003272), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of 32nd Annual General Meeting of the Company.
7. "RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ajay M. Khatlawala (DIN 00124042), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 4 (four) consecutive years for a term up to the conclusion of 31st Annual General Meeting of the Company.
8. "RESOLVED that pursuant to the provisions of Sections 149, 150 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Srinivasan (DIN 00003968), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term up to the conclusion of 30th Annual General Meeting of the Company."
9. "RESOLVED that pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, including any modification(s) or re-enactment thereof, if any of the Companies Act, 2013 (the Act) consent of the Company be and is hereby

accorded to increase the remuneration of Mr. Rashesh M. Bhansali (DIN-00057931), Vice Chairman & Managing Director of the Company with the effect from 1st April, 2014 till the remaining term of his appointment on the terms and conditions as detailed herein below:

Part A:

1. Basic Salary: ₹ 5,00,000/- per month

Part B:

1. Medical Reimbursement:

Reimbursement of medical expenses incurred for self and family members subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

2. Leave Travel Concession:

Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company for the time being in force.

3. Club Fees:

Membership fees of two clubs.

4. Gratuity:

Gratuity shall be payable as per the provisions of the payment of Gratuity Act, 1972 as amended from time to time.

5. Car for Office Use.

6. Telephone at residence for business use to be reimbursed from the Company.

FURTHER RESOLVED THAT Mr. Rashesh M. Bhansali, Vice – Chairman and Managing Director shall be entitled to Commission as a percentage to the net profits of the Company, as may be decided by the Board of Directors from time to time, subject to the ceiling fixed under Section 197 and Schedule V and other applicable provisions of the Companies Act, 2013 and amendments made thereto from time to time and accordingly, in the event of loss or inadequacy of profit in any financial year, the salary payable to Mr. Rashesh M. Bhansali, shall be governed by Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board and / or its committee be and is hereby in its absolute discretion to decide/determine, fix and/or vary/alter/modify within the limit stated above, the remuneration (including Minimum Remuneration in the event of absence or inadequacy of profits in any financial year) payable to Mr. Rashesh M. Bhansali, Vice Chairman & Managing Director from time to time and to comply with all legal provisions and to do all such acts, deeds, things and matters etc., as may be considered necessary, desirable, expedient or proper to give effect to this resolution".

To pass with or without modification(s) the following resolutions as special Resolutions:

10. "RESOLVED that in supersession of the Ordinary Resolution adopted at the 26th Annual General Meeting held on 6th September, 2013 and pursuant to Section 180(1)(c) and any other applicable provisions of the

Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount to be borrowed together with the amount already borrowed apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹250 Crores (Rupees Two hundred fifty crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

By Order of the Board of Directors

Place: Mumbai

Date: 13th August, 2014

Regd. Office:

Gems & Jewellery Complex,
M.I.D.C., SEEPZ, 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 on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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 authorising their representative to attend and vote on their behalf at the Meeting.

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.

2. The details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under item no's. 5 to 10 is annexed hereto.
4. (a) The Register of Members and Share Transfer Books will remain closed from Thursday, 18th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2014.
(b) Subject to the provisions of Section 126 of Companies Act, 2013 dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid on 10th October, 2014 to those members whose names appear on the Register of Members as on 17th September, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unpaid/unclaimed dividend in respect of financial year 2006-07 (1st Interim) and 2006-2007 (2nd Interim) has been transferred to the Investor Education and Protection Fund (IEPF). Members who have not yet encashed their dividend warrant(s) for the financial year 2009-2010, 2010-2011, 2011-2012 and 2012-2013 requested to approach the Company's Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd. The Details of unpaid dividend is also available on the website of the Company www.goldiam.com
6. 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.
7. Non-Resident Indian Members are requested to inform M/s. Link Intime India Private Limited , immediately of :
 - Change in their residential status on return to India for permanent settlement.
 - 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.
8. 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.
9. 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.
10. The Securities and Exchange Board of India (SEBI) has vide its circular no. MRD/ DoP/ Cir -05/2009 dated May 20, 2009, clarified that for securities market transactions and off-market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/Registrar and Transfer Agents for registration of such transfer of shares. Accordingly, all transferees are requested to submit self-attested copies of their PAN card along with their request for transfer of shares of the Company in physical form in compliance with the above circular, failing which their request for transfer of shares will be returned under objection.
11. 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.
12. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants (s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode. Members may also note that the copy of Annual Report will also be available on the Company's website www.goldiam.com.
13. 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.
14. All documents referred to in the accompanying Notice and the Explanatory Statement, and other statutory register shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 6.30 pm) on all working days except Sunday and public holiday up to and including the date of the Annual General Meeting of the Company.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013; and the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime India Pvt. Ltd., for consolidation into a single folio.

17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circular, etc. from the Company electronically.

18. Voting through electronic means

Pursuant to provisions of section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

The Instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on "Shareholders" tab to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number - "EVS" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT".
- iv) Now Enter your User ID

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

	For members holding shares in Demat form	For members holding shares in Physical form
User-ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 Digit beneficiary ID	Folio Number registered with the Company.

v) Next enter the Image Verification as displayed and Click on Login.

vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and Voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- A. Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- B. The voting period begins on 23th September, 2014 at 9.00 a.m. and ends on 25th September, 2014 at

6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
- D. The voting right of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date 17th September, 2014.
- E. Ms. Neetu Agrawal, Practising Company Secretary (Membership No.25791 COP No.9272), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the present of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the Votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- F. The Result shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.goldiam.com and will be communicated to the Stock Exchanges on which the Company's equity shares are listed.

EXPLANATORY STATEMENT

Explanatory Statement in respect of the special business pursuant to section 102 of the Companies Act, 2013 (Corresponding to Section 173 (2) of Companies Act, 1956) and forming part of the Notice dated 13th August, 2014.

Item No. 5:

Pursuant to the provision of section 161 of the Companies Act, 2013 read with Articles of Association of the Company the Board of Directors, at their meeting held on 13th August, 2014, appointed Mrs. Ami R. Bhansali (DIN 00057937) as an Additional Director of the Company. Mrs. Ami R. Bhansali will hold the office upto the date of the Annual General Meeting of the Company. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing her candidature for the office of Director.

The Company has received from Mrs. Ami R. Bhansali (i) Consent in writing to act as a director in form DIR-2, pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

No director, Key Managerial Personnel or their relative, except Mrs. Ami R. Bhansali being an appointee director and Mr. Rashes M. Bhansali being relative, are interested or concern in the resolution.

The Board recommends the resolution set forth in item no. 5 for the approval of members.

Item No. 6:

Mr. Rajesh G. Kapadia (holding DIN 00003272) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 1994. Mr. Rajesh G. Kapadia is also a Chairman of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. He is also a Director, on the Board of Goldiam Jewellery Limited, a non listed Material Indian Subsidiary as per the requirement of the listing agreement. He does not hold any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rajesh G. Kapadia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of the 32nd Annual General Meeting of the Company. A notice has been received under Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing Mr. Rajesh G. Kapadia as a candidate for the office of Independent Director of the Company.

The Company has received from Mr. Rajesh G. Kapadia (i) Consent in writing to act as director in form DIR-2, pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification

of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Rajesh G. Kapadia fulfils the conditions specified in the Section 149 (6) of the Companies Act, 2013 and other applicable provisions of the said act and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management. A copy of the draft letter for the appointment of Mr. Rajesh G. Kapadia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working days.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajesh G. Kapadia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajesh G. Kapadia as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajesh G. Kapadia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7:

Mr. Ajay M. Khatlawala (holding DIN 00124042) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 1994. Mr. Ajay M. Khatlawala is also a member of Audit Committee, Nomination & Remuneration Committee and Stake Holder Relationship Committee and the Chairman of Corporate Social Responsibility Committee of the Board of Directors of the Company. He also appointed on the Board of Diagold Design Limited, a non listed Material Indian Subsidiary as per the requirement of the listing agreement. He holds 1000 shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ajay M. Khatlawala being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 4 (four) consecutive years for a term upto the conclusion of 31st Annual General Meeting of the Company. A notice has been received under Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing Mr. Ajay M. Khatlawala as a candidate for the office of Independent Director of the Company.

The Company has received from Mr. Ajay M. Khatlawala (i) Consent in writing to act as director in form DIR-2, pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification

of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Ajay M. Khatlawala fulfils the conditions specified in the Section 149 (6) of Companies Act, 2013 and other applicable provisions of the said act and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management. A copy of the draft letter for the appointment of Mr. Ajay M. Khatlawala as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working days.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ajay M. Khatlawala as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ajay M. Khatlawala as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ajay M. Khatlawala, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8:

Dr. Raghavachari Srinivasan (holding DIN 00003968) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May, 2002. Dr. Raghavachari Srinivasan is also a Chairman of Stake Holder Relationship Committee, member of Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. He does not hold any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. Raghavachari Srinivasan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 3 (Three) consecutive years for a term upto the conclusion of 30th Annual General Meeting of the Company. A notice has been received under Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000/- proposing Dr. Raghavachari Srinivasan as a candidate for the office of Independent Director of the Company.

The Company has received from Dr. Raghavachari Srinivasan (i) Consent in writing to act as director in form DIR-2, pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) a declaration to the effect that he

meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Dr. Raghavachari Srinivasan fulfils the conditions specified in the Section 149 (6) of Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Dr. Raghavachari Srinivasan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Raghavachari Srinivasan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Raghavachari Srinivasan as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Raghavachari Srinivasan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No 9:

The Members at their Annual General Meeting held on 12th August, 2010 approved the re-appointment of Mr. Rashesh M. Bhansali, Vice Chairman & Managing Director with effect from 1st February, 2011 for 5 years with the payment of remuneration as per below:

PART A:

Basic Salary: ₹ 3,00,000/- per month

PART B:

1. Medical Reimbursement:

Reimbursement of medical expenses incurred for self and family members subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

2. Leave Travel Concession:

Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company for the time being in force.

3. Club Fees:

Membership fees of two clubs.

4. Gratuity:

Gratuity shall be payable as per the provisions of the payment of Gratuity Act, 1972 as amended from time to time.

5. Commission as a percentage of the net profit of the Company as decided by the Board from time to time, subject to the ceiling under the provisions of Companies Act, 1956.