

Goldiam International Limited

- (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, 31.03.2001 and 31.03.2002 have been transferred to the Fund. The unpaid/unclaimed dividend amount for the year ended on 31.03.2003 will be transferred in August, 2010. Members who have not so far encashed their dividend warrant(s) for the year ended 31.03.2003 or any of 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 FORMING PART OF THE NOTICE DATED 30TH MAY, 2010:

ITEM NO. 5

The members of the Company had, at the Annual General Meeting held on 26th July, 2005, approved the re-appointment of Mr. Rashesh M. Bhansali as the Vice Chairman & Managing Director of the Company for a period of 5 years with effect from 1st February, 2006 on a remuneration of a Basic Salary of Rs.7,75,000/- per month, reimbursement of medical expenses subject to a ceiling of one month's salary in a year or three month's salary over a period of three years, leave travel concession for self and family once in a year, fees of two clubs, personal accident insurance premium not exceeding Rs.5,000/- per annum, car and telephone at residence for office use, gratuity as per the provisions of the Payment of Gratuity Act, 1972 (subject to a ceiling of Rs.3,50,000/-) and privilege leave as applicable to other members of the staff. He was also entitled to Commission out of the net profits of the Company as decided by the Board from time to time subject to the ceiling fixed under the provisions of the Companies Act, 1956.

The remuneration paid to Mr. Rashesh M. Bhansali, Vice Chairman & Managing Director, was, however, discontinued with effect from January 2008 owing to the losses/ inadequate profits. After having undergone challenging times in the financial year 2008-09, the Company is experiencing an upward trend and registering profits and it was felt prudent to pay him remuneration, with effect from 1st April, 2010, of Basic Salary of Rs.3,00,000/- per month, 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, 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, membership fees of two clubs, gratuity as per the provisions of the Payment of Gratuity Act, 1972 as amended from time to time and Commission as a percentage of the net profits of the Company as decided by the Board from time to time subject to the ceiling fixed under the provisions of the Companies Act, 1956.

Mr. Rashesh M. Bhansali has rich and wide experience in the field of diamonds and jewellery and has been guiding force behind the Company since the past 22 years. Under his able leadership and guidance the Company has reached new heights. He is a Director on the Board of Diagold Designs Limited, Goldiam Jewels Limited, Goldiam Jewellery Limited and Goldiam USA, Inc., subsidiaries of the Company. The Board recommends the resolution for the approval of the members.

None of the Directors except Mr. Rashesh M. Bhansali and his father Mr. Manhar R. Bhansali is deemed to be concerned or interested in this resolution.

The Explanatory statement together with the accompanying Notice should be treated as an abstract under Section 302.

ITEM NO. 6

The members of the Company had, at the Annual General Meeting held on 26th July, 2005, approved the re-appointment of Mr. Rashesh M. Bhansali as the Vice Chairman & Managing Director of the Company for a period of 5 years with effect from 1st February, 2006 on a remuneration of a Basic Salary of Rs.7,75,000/- per month, reimbursement of medical expenses subject to a ceiling of one month's salary in a year or three month's salary over a period of three years, leave travel concession for self and family once in a year, fees of two clubs, personal accident insurance premium not exceeding Rs.5,000/- per annum, car and telephone at residence for office use, gratuity as per the provisions of the Payment of Gratuity Act, 1972 (subject to a ceiling of Rs.3,50,000/-) and privilege leave as applicable to other members of the staff. He was also entitled to Commission out of the net profits of the Company as decided by the Board from time to time subject to the ceiling fixed under the provisions of the Companies Act, 1956.

The remuneration to Mr. Rashesh M. Bhansali, Vice Chairman & Managing Director, was, however, discontinued with effect from January 2008 owing to the losses/ inadequate profits. With the Company's financial performance improving, it was felt prudent to remunerate him with effect from 1st April, 2010 by way of Basic Salary of Rs.3,00,000/- per month, 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, 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, membership fees of two clubs, gratuity as per the provisions of the Payment of Gratuity Act, 1972 as amended from time to time and Commission as a percentage of the net profits of the Company as decided by the Board from time to time subject to the ceiling fixed under the provisions of the Companies Act, 1956.

The present term of his appointment expires on 31st January, 2011 and the Board of Directors of the Company, at the meeting held on 30th May, 2010, decided, subject to the approval of the members of the Company, to re-appoint him for a further period of 5 years w.e.f. 1st February, 2011 at a remuneration of Basic Salary of Rs.3,00,000/- per month, 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, 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, membership fees of two clubs, gratuity as per the