



GOLDIAM INTERNATIONAL LIMITED

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

Registered Office: Gems & Jewellery Complex, SEEPZ (SE2), Andheri (East), Mumbai 400 096 • Tel: 91-22-2829 1893 Fax: 91-22-2829 2885 • Website: www.goldiam.com Email: investorrelations@goldiam.com • Compliance Officer: Ms. Rachana V. Vora, Company Secretary

This Public Notice cum Public Announcement ("Announcement") is made pursuant to the provisions of Regulation 5A and Regulation 8(1) read with Regulation 15(c) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 for the time being in force including any statutory modifications and amendments from time to time ("Buy-Back Regulations") and contains the disclosures as specified in Schedule II to the Buy-Back Regulations.

1. DETAILS OF THE BUY-BACK OFFER AND OFFER PRICE

1.1. Goldiam International Limited (the "Company" or "GIL") hereby announces the buy-back ("Buy-back") of its fully paid-up equity shares of the face value of Rs.10/- each ("Equity Shares") not exceeding 15,00,000 Equity Shares ("Maximum Offer Shares"), from the existing owners of Equity Shares other than promoters, promoter group, persons in control and persons acting in concert (such shareholders hereinafter collectively referred to as "Promoters") at a price not exceeding Rs.50/- (Rupees Fifty only) per Equity Share (the "Maximum Offer Price") payable in cash, for an aggregate amount not exceeding Rs.5.25 crores ("Maximum Offer Size"). The Maximum Offer Size represents 3.53% of the aggregate of the Company's total paid-up equity share capital and free reserves as on March 31, 2009 (the date of the latest audited accounts). The Company subject to the Maximum Offer Price shall buy-back at least 3,00,000 Equity Shares ("Minimum Offer Shares").

1.2. The Buy-back will be implemented by the Company through the methodology of "Open market purchases through Stock Exchanges" using the electronic trading facilities of the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and together with BSE, the "Stock Exchanges" pursuant to the provisions of Article 23A of the Articles of Association of the Company and in accordance with the provisions of Sections 77A, 77B and all other applicable provisions of the Companies Act, 1956 (the "Act") and the Buy-Back Regulations, in the manner and on such terms and conditions as determined by the Board of Directors of the Company (the "Board") which term shall be deemed to include any person to whom the Board may delegate authority to exercise its powers) and disclosed in this Announcement.

1.3. The actual number of Equity Shares to be bought back will depend upon the average price paid for the Equity Shares bought back and the aggregate consideration paid for such Equity Shares bought back, subject to the maximum aggregate consideration of Rs.5.25 crores being approximately 3.53% of the total paid-up equity share capital and free reserves of the Company as on March 31, 2009, in accordance with the resolution passed by the Board at its meeting held on October 30, 2009. This is subject to further limit of 25% of the total paid-up equity share capital of the Company in a financial year as stipulated in the Act.

As an illustration, at the proposed maximum Buy-back price of Rs.50/- per Equity Share and for an aggregate amount of Rs.5.25 crores deployed, the number of Equity Shares bought back would be 10,50,000 Equity Shares, amounting to approximately 4.11% of the pre-Buy-back paid-up equity share capital of the Company as on October 30, 2009. Should the average price be lower than Rs.50/- per Equity Share, the number of Equity Shares which can be bought back would be more, assuming the same deployment of the aggregate amount of Rs.5.25 crores, subject to the Buy-back of maximum 15,00,000 Equity Shares which would amount to approximately 5.87% of the pre-Buy-back paid-up equity share capital of the Company as on October 30, 2009.

1.4. The Maximum Offer Price has been arrived at after taking into consideration factors such as the trends in the market price of the Equity Shares during the last 6 months prior to the date of the Board meeting held on October 30, 2009 for approval of the Buy-back ("Board Meeting") and resolution passed on such date in this regard, the "Board Resolution", the book value of Equity Shares and impact on financial parameters and the possible impact of the Buy-back on the Company's earnings per Equity Share. The Maximum Offer Price offers a premium of 38.31% over the average closing price of the Equity Shares on the Stock Exchanges, as on October 29, 2009 (the day prior to the Board Meeting).

1.5. The Company shall place buy orders at least once in a week during the Buy-back period and purchase atleast the Minimum Offer Shares, so long as the market price is below the Maximum Offer Price and the Buy-back will close in terms with the time-table mentioned herein. However, it is being clarified that, in the event Minimum Offer Shares have been purchased, the Board in its absolute discretion may decide to close the Buy-back at an earlier date, even if the Maximum Offer Price has not been reached or the Maximum Offer Shares have not been bought back, by giving appropriate notice of such date and completing all formalities in this regard as per relevant laws and regulations. The fact that the Board Resolution provides for the Maximum Offer Price does not indicate that the Company will or is obliged to buy or continue to buy Equity Shares, so long as the market price is below the Maximum Offer Price. Similarly, the fact that the Board Resolution indicates the Maximum Offer Price and Maximum Offer Shares that may be bought back at a price not exceeding Rs.50/- per Equity Share does not indicate that the Company will utilize or is obliged to utilize, the entire amount of Rs.5.25 crores (being the Maximum Offer Size) in the Buy-back or that the Company will buy or is obliged to buy all the Maximum Offer Shares.

1.6. Further, the maximum number of Equity Shares bought back shall be subject to (i) the Buy-back not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Clause 40A of the Listing Agreement between the Company and the Stock Exchanges, i.e. maintaining public shareholding of at least 25% of the total number of issued Equity Shares, (ii) such Equity Shares that may be bought back not exceeding the Maximum Offer Shares and (iii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.

1.7. As required under the Act and the Buy-Back Regulations, the Company shall not Buy-back Equity Shares which are partly-paid-up, Equity Shares with call-in-arrears, locked-in or non-transferable Equity Shares in the Buy-back till the time they become fully paid-up, or till the pendency of the lock-in or till the Equity Shares become transferable. There will be no negotiated deals, whether on or off Stock Exchanges, spot transactions or any other private arrangements in implementation of the Buy-back.

1.8. The Buy-back from shareholders who are persons residing outside India, including the Foreign Corporate Bodies, Overseas Corporate Bodies, shall be subject to such approvals as are required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the Rules and Regulations framed thereunder.

2. AUTHORITY FOR THE OFFER OF BUY-BACK

Pursuant to the provisions of Article 23A of Articles of Association of the Company and in accordance with Section 77A, 77B and all other applicable provisions of the Act and the Buy-Back Regulations, the Board at its meeting held on October 30, 2009 approved the Buy-back of Equity Shares from the Open market through the Stock Exchanges up to the Maximum Offer Size and subject to the Minimum Offer Shares, at a price not exceeding the Maximum Offer Price, subject to the approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the authorities, institutions or bodies, including but not limited to, the Securities and Exchange Board of India.

3. BRIEF INFORMATION ABOUT THE COMPANY

Goldiam International Limited, a company promoted by Mr. Manhar R. Bhanjali and Mr. Rashesh M. Bhanjali, was incorporated on October 10, 1986 as a private limited company under the name of Goldiam (International) Private Limited. Subsequently, the Company's name was changed to Goldiam International Private Limited on November 27, 1986. The Company became a deemed public company (under Sec. 43A) with effect from June 30, 1991 and thereafter the name of the Company was changed to Goldiam International Limited on September 20, 1994. Located in a Special Economic Zone, GIL is one of India's leading manufacturers and exporters of fine, plain and studded gold, silver and platinum jewellery having its registered & corporate office at Gems & Jewellery Complex, SEEPZ (SE2), Andheri (East), Mumbai 400 096.

GIL offers a wide range of plain and diamond and gemstone studded jewellery to its customers across countries like Japan, Australia, UK, Thailand, China, South Africa, Canada, the Middle East, Russia, Malaysia and Brazil.

GIL has four subsidiaries:

Diagold Designs Limited – a 50.99% subsidiary and a 100% Export Oriented Unit, it specializes in designing ethereal bangles with large centre stones which are exported mainly to the Middle East Countries.
Goldiam Jewels Limited – a 50.55% subsidiary and a 100% Export Oriented Unit, it is engaged in the manufacturing of automated bands which are exported mainly to the USA.
Goldiam Jewellery Limited – a 100% subsidiary located in Special Economic Zone, it specializes in micro prong brides and hand set jewellery.
Goldiam USA, Inc. – a 100% subsidiary based in New York, it aids in marketing jewellery and in catering to the customer requirements more efficiently and effectively.

Joint Venture:

Goldiam HK Limited – With a stake of 49.95% in this Joint Venture Company based in Hongkong, GIL is better positioned to market jewellery and service the customers efficiently. The brief audited financial information of the Company for the last three financial years and the unaudited financial information of the Company for the six months ended September 30, 2009 is detailed below:

(Rs. in crores; except Key Ratios)

Particulars	March 31, 2007 Audited	March 31, 2008 Audited	March 31, 2009 Audited	September 30, 2009 Unaudited
Revenue	165.55	94.11	55.94	30.38
Other Income	5.68	4.41	5.97	2.37
Total Income	171.23	98.52	61.91	32.75
Profit before interest, depreciation and tax	22.91	2.71	(12.17)	(0.75)
Profit after tax	14.27	(0.10)	(13.62)	(0.99)
Equity dividend (%)	20	0	0	0
Equity dividend (excluding dividend tax)	5.40	0.00	0.00	0.00
Equity share capital	27.03	27.03	25.55	25.55
Reserves & surplus	143.43	147.49	129.42	129.42
Miscellaneous Expenditure to the extent not w/off	-	-	(2.96)	(2.50)
Net worth	170.46	174.52	152.01	152.47
Total debt	8.28	4.99	0.00	0.00
Key Ratios				
Earnings per Equity Share (Rs.)	5.28	(0.04)	(5.33)	(0.39)
Book Value per Equity Share (Rs.)	63.06	64.57	59.50	59.68
Return on Net Worth (%)	8.37	(0.06)	(8.96)	(0.65)
Debt to Equity ratio	0.05	0.03	0.00	0.00

* Figures reflected as per the audited accounts as on March 31, 2009.

Note:

a. The above financial information has been certified by M/s Pulindra Patel & Co., Chartered Accountants, vide their letter dated October 30, 2009.

b. The Key Ratios are computed as below:

i. Basic Earnings per Equity Share	Net profit attributable to equity shareholders	
	Total no. of Equity Shares outstanding during the year/period	
ii. Book value per Equity Share	Paid-up Equity Share capital + Reserves & Surplus - Miscellaneous Expenses to the extent not w/off	
iii. Return on Net Worth	Total no. of Equity Shares outstanding during the year/period	
iv. Debt to Equity ratio	Net profit after taxes	
	Net Worth	
	Total Debt	
	Net Worth	

4. PRESENT EQUITY CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

a. The Share Capital of the Company as on the date of this Announcement is as follows:

Authorized	Amount (Rs. In Crores)
3,10,00,000 Equity Shares of Rs. 10/- each	31.00
Issued, Subscribed and Paid-up: 2,55,45,996 Equity Shares of Rs. 10/- each	25.55

There are no partly paid-up Equity Shares or outstanding instruments convertible into Equity Shares as on the date of this Announcement.

b. The shareholding pattern of the Company as on September 30, 2009 and post the Buy-back is as shown below:

Category of Shareholder	Pre Buy-back		Post Buy-back	
	Total no. of shares	Total shareholding as a % of total no. of shares	Total no. of shares*	Total shareholding as a % of total no. of shares
(A) Shareholding of Promoter and Promoter Group				
(1) Indian				
Individuals	13548100	53.03	13548100	55.31
(2) Foreign	-	-	-	-
Total shareholding of Promoter and Promoter Group (A)	13548100	53.03	13548100	55.31
(B) Public Shareholding				
(1) Institutions				
Mutual Funds / UTI	8000	0.03		
Financial Institutions / Banks	400	-		
Sub Total	8400	0.03		
(2) Non-institutions				
Bodies Corporate	973817	3.81		
Individuals				
Individual shareholders holding nominal share capital up to Rs.1 lakh	4966446	19.44		
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2193077	8.58	10947896	44.69
Any Others				
Cleaning Members	57956	0.23		
Foreign Corporate Bodies	2700000	10.57		
Market Maker	23945	0.09		
Foreign Nationals	1600	0.01		
Non Resident Indians	385849	1.51		
Overseas Corporate Bodies	60000	0.23		
Hindu Undivided Families	618806	2.42		
Independent Directors	8000	0.03		
Sub Total	11989496	46.93		

	Total no. of shares	Total shareholding as a % of total no. of shares	Total no. of shares*	Total shareholding as a % of total no. of shares
Total Public shareholding (B)	11997896	46.97	10947896	44.69
Total (A)+(B)	25545996	100.00	24495996	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued				
Total (A)+(B)+(C)	25545996	100.00	24495996	100.00

* Assuming that, 10,50,000 Equity Shares are bought back at the Maximum Offer Price of Rs.50/- per Equity Share for an aggregate amount deployed of Rs.5.25 crores. However, if the average price of the Buy-back is lower than Rs.50 per Equity Share, the maximum number of Equity Shares which can be bought back would be more and would not exceed 15,00,000 Equity Shares, being the Maximum Offer Shares.

c. As on the date of this Announcement, the aggregate shareholding of the promoter and promoter group is as under:

Name	Total no. of Equity Shares	Total shareholding as a % of total no. of Equity Shares
Manhar R. Bhanjali	7103428	27.81
Rashesh M. Bhanjali	5350000	20.94
Shobhana M. Bhanjali	1094672	4.29
Total	13548100	53.03

d. During the period of twelve months preceding the date of this Announcement, one of the Promoters, Mr. Rashesh M. Bhanjali, has sold 197437 Equity Shares in the open market at a price of Rs. 11.50 per Equity Share on March 6, 2009 and March 9, 2009. There have been no purchases or sales of Equity Shares by the Promoters during the period of twelve months preceding the Board Meeting dated October 30, 2009, at which the Buy-back was approved, except as mentioned above.

e. As per the provisions of the Buy-Back Regulations and the Act, the Company shall not make any issue of Equity Shares during the Buy-back period, whether pursuant to a bonus issue or conversion of an outstanding convertible instrument, stock options or otherwise. Further, the Company will not issue fresh Equity Shares within a period of six months after the completion of the Buy-back except by way of bonus issue or in discharge of any subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

f. As per Regulation 15(b) of the Buy-Back Regulations, the Buy-back shall not be made from the Promoters. The Promoters shall not deal in the Equity Shares during the period the Buy-back offer is open.

5. NECESSITY FOR BUY-BACK

The Buy-back is being implemented in keeping with the Company's desire to enhance overall Shareholder value in an investor friendly manner.

The Buy-back is expected to (a) maximize returns to the investors and enhance overall shareholder value by returning surplus funds to the shareholders in an investor-friendly manner, (b) provide an efficient mechanism for an exit opportunity to the shareholders opting for Buy-back in a manner that does not substantially impact the market price of the Company's Equity Shares to the detriment of the continuing shareholders and (c) reduce outstanding number of Equity Shares and consequently increase Earnings per Share and the return on investment in future thereby creating long term value for the continuing shareholders. The Buy-back is also a reflection of confidence of the management in the future growth prospects of the Company.

6. EXTRACT FROM THE BOARD RESOLUTION

"RESOLVED THAT pursuant to the provisions of Article 23A of the Articles of Association of the Company and in accordance with the provisions of Sections 77A, 77B and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and the provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buy-Back Regulations") (including any statutory modification(s) or re-enactment of the Act or Rules framed thereunder from time to time or the Buy-Back Regulations, for the time being in force) and subject to such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the authorities, institutions or bodies (the "appropriate authorities") and further subject to such conditions and modifications as may be prescribed or imposed by the appropriate authorities while granting such approval(s), consent(s), permission(s) and sanction(s) and which may be agreed to by the Board of Directors of the Company (the "Board"), which term shall be deemed to include any person to whom the Board may delegate authority to exercise its powers, including the powers conferred by this resolution, consent of the Board be and is hereby accorded to Buy-back the Company's fully paid-up Equity Shares of the face value of Rs.10/- each ("Equity Shares"), not exceeding 15,00,000 Equity Shares ("Maximum Offer Shares") and a minimum number of 3,00,000 Equity Shares ("Minimum Offer Shares") at a price not exceeding Rs.50/- per Equity Share ("Maximum Offer Price") for an aggregate amount not exceeding Rs.5.25 crores ("Maximum Offer Size") being 3.53% of the aggregate of the Company's total paid-up equity share capital and free reserves as on March 31, 2009 (hereinafter referred to as the "Buy-back").

RESOLVED FURTHER THAT the Board be and is hereby authorised to implement the Buy-back in one or more tranches from out of the Company's free reserves and/or the securities premium account through the methodology of "Open market purchases through the Stock Exchanges" using the electronic trading facilities of the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" in such manner as is prescribed by the Act and/or the Buy-Back Regulations and on such terms and conditions as may be determined by the Board.

RESOLVED FURTHER THAT the Buy-back of Equity Shares from non-resident shareholders and/or shareholders of foreign nationality shall be subject to such further approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the Rules and Regulations framed thereunder.

RESOLVED FURTHER THAT M/s. Fortune Financial Services (India) Limited be and are hereby appointed as the Lead Managers for the Buy-back of Equity Shares of the Company as required under the Buy-Back Regulations.

RESOLVED FURTHER THAT Mr. Manhar R. Bhanjali, Chairman & Managing Director and Mr. Rashesh M. Bhanjali, Vice-Chairman & Managing Director, be and are hereby severally authorised to finalise the remuneration payable to them and the terms and conditions relating to such appointment and to sign and execute such documents as may be required in this regard.

RESOLVED FURTHER THAT M/s. Fortune Equity Brokers (India) Limited, member of Bombay Stock Exchange of India (BSE) and the National Stock Exchange of India Limited (NSE) be and are hereby appointed as the Brokers for the Buy-back of Equity Shares of the Company on BSE and NSE.

RESOLVED FURTHER THAT the Company be registered as Beneficial Owner (BO) with Fortune Financial Services (India) Limited (DP), a member of Central Depository Services India Ltd. (CDSL) for the purpose of depository services and Mr. Manhar R. Bhanjali, Chairman & Managing Director, and Mr. Rashesh M. Bhanjali, Vice Chairman & Managing Director, be and are hereby severally authorised to sign, execute and submit such applications, undertakings, agreements, Power of Attorney, DP instructions, and other requisite documents, writings and deeds as may be deemed necessary and expedient for the said accounts and affix the Common Seal of the Company, wherever necessary, in the presence of any one of them, in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT Ms. Rachana V. Vora, Company Secretary, be and is hereby appointed as the "Compliance Officer" as required under the Buy-Back Regulations for the purpose of Buy-back of Equity Shares of the Company and for the redressal of the Investors' grievances in relation thereto.

RESOLVED FURTHER THAT the draft of the Public Notice cum Public Announcement as placed before the Board and initiated by Mr. Rashesh M. Bhanjali, Vice-Chairman and Managing Director, for the purpose of identification thereof, be and is hereby approved and the same be signed by Mr. Rashesh M. Bhanjali, Vice Chairman & Managing Director, Mr. Ajay M. Khatiwala, Director, and Ms. Rachana V. Vora, Company Secretary.

RESOLVED FURTHER THAT Mr. Manhar R. Bhanjali, Chairman & Managing Director, Mr. Rashesh M. Bhanjali, Vice Chairman & Managing Director, and Ms. Rachana V. Vora, Company Secretary, be and are hereby jointly and/or severally authorised to take all steps/ actions and do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, desirable, expedient, usual or proper with regard to the implementation of the Buy-back including but not limited to:-

- To appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertising Agency and other Advisors, Consultants or Representatives;
- To make applications to the appropriate authorities for their requisite approvals;
- To initiate all necessary actions for preparation and issue of Public Notice cum Public Announcement and for filing of the same with the Securities and Exchange Board of India, Stock Exchanges and such other authorities, Statutory or otherwise, as may be required;
- To execute, sign and submit the certificates for Declaration of Solvency along with the Annexures thereto as required under the provisions of Section 77A(6) of the Companies Act and for the extinguishment and destruction of share certificates in respect of shares bought back and all other necessary Forms/ Returns/ Applications/ Documents/ Papers as are required to be filed with the Securities and Exchange Board of India, the office of the Registrar of Companies, Maharashtra, Mumbai, Stock Exchanges and other authorities, Statutory or otherwise, as may be required; and
- To settle all such questions or difficulties whatsoever that may arise in connection with the Buy-back so as to take all such steps and decisions in this regard.
- To authorise any person(s) to sign and execute the necessary Forms, Returns, Applications, Documents, Papers etc. to be filed with such authorities as may be required;
- To resolve the queries or comply with the directives issued by the Securities and Exchange Board of India, the Stock Exchanges and/or any other authority in relation to the Buy-back and to do any act/deed incidental thereto;

RESOLVED FURTHER THAT Mr. Manhar R. Bhanjali, Chairman & Managing Director, and Mr. Rashesh M. Bhanjali, Vice Chairman & Managing Director, be and are hereby severally authorised to close the Buy-back and complete the formalities relating to the closure of the Buy-back.

RESOLVED FURTHER THAT the Board of Directors of the Company do hereby confirm the following:

- That it has made the necessary and full inquiry into the affairs and prospects of the Company and has formed the opinion:
 - that immediately following the date of Meeting of the Board of Directors of the Company held on October 30, 2009, there will be no grounds on which the Company could be found unable to pay its debts; and
 - in respect of its prospects for the year immediately following that date that, having regard to its intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in its view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
 - in forming its opinion for the above purposes, the Board has taken into account all the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).
- RESOLVED FURTHER THAT the following confirmation is hereby made by the Board:
 - that the Company shall not Buy-back Equity Shares which are partly-paid-up, Equity Shares with call-in-arrears, locked-in or non-transferable Equity Shares in the Buy-back till the time they become fully paid-up, or till the pendency of the lock-in or till the Equity Shares become transferable.
 - that as per Regulation 15(b) of the Buy-Back Regulations, the Buy-back shall not be made from the Promoters and Promoter Group.
 - that there will be no negotiated deals, whether on or off Stock Exchanges, spot transactions or any other private arrangements in implementation of the Buy-back.
 - that the Company shall not make any issue of Equity Shares during the Buy-back period, whether pursuant to a bonus issue or conversion of an outstanding convertible instrument, stock options or otherwise. Further, the Company will not issue fresh Equity Shares within a period of six months after the completion of the Buy-back, except by way of bonus issue or in discharge of any subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
 - that post Buy-back, the Debt-Equity ratio will be within the limit of 2:1 as prescribed under Section 77A of the Act.
 - that the Company shall not withdraw the Buy-back offer after a public announcement of the Buy-back is made.
 - that there are no defaults in the repayment of term loans to any financial institutions or banks and that the Company has not invited or accepted any deposit from the public and has not issued any debentures or preference shares.
 - that the Company complies with the provisions of Clause 40A of the Listing Agreement between the Company and the Stock Exchanges, i.e. maintaining public shareholding of at least 25% of the total number of issued Equity Shares, and will maintain compliance with the said provisions at all times during the continuance of the Buy-back.

7. REPORT OF STATUTORY AUDITORS

The text of the report dated October 30, 2009 received from M/s. Pulindra Patel & Co., Chartered Accountants and the Statutory Auditors of the Company, addressed to the Board is reproduced below:

In connection with the proposed Buy-back of Equity Shares approved by the Board of Directors of Goldiam International Limited (the "Company") at its meeting held on October 30, 2009, in pursuance of the provisions of Section 77A, 77A and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time (the "Buy-Back Regulations") and based on the information and explanations given to us and on the basis of such verification of relevant records as we considered appropriate, we report that:

- We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended 31st March, 2009, which were taken on record by the Board of Directors in the meeting held on June 26, 2009.
- The capital payment (including premium) of an amount not exceeding Rs.5,25,00,000/- (Rupees Five Crores Twenty Five Lakhs only) towards the Buy-back of Equity Shares has been properly determined in accordance with the proviso to Section 77A(2)(b) of the Companies Act, 1956 and is within the permissible limit of 10% of the total paid-up equity share capital and free reserves of the Company, as computed below:

	Amount (in Rs. Crores) as at March 31, 2009
Paid-up Equity Share Capital	25.55
Free Reserves	
- Security Premium	1.53
- General Reserve	50.04
- Surplus in Profit & Loss Account	123.14
Total	148.69
Maximum amount permissible for the Buy-back i.e. 10% of total paid-up equity share capital and free reserves	14.87

- The Board of Directors of the Company at its meeting held on October 30, 2009 has formed the opinion as specified in clause (a) of Schedule I of the Buy-Back Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board Meeting held on October 30