



NUMBERS
MATTER

VALUES
COUNT

ASIAN STAR COMPANY LIMITED

24TH ANNUAL REPORT 2017-2018

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Recent events have severely impacted the reputation of the entire diamond trade. Contrary to prevalent perception today, the diamond trade is one of the oldest trades in the world built upon a solid foundation of trust and buttressed by enduring pillars of commitment and consent.

Exceptions and temporary aberrations aside, a vast majority of the diamond trade continues with its tradition of trust both globally as well as in India.

At Asian Star, NUMBERS and VALUES are deeply embedded in our DNA. They ensure our dual focus on performance and principles. The astute attention to delivering growth and expansion is matched with the uncompromising assiduity of our founders and promoters to ethics and integrity. And it is this resolute adherence to principles, come what may, which has enabled us to sail through rough seas.

Not only have we navigated choppy waters but we have also delivered performance and driven growth.

At Asian Star, we have consistently grown our business, expanded our global footprint and continued with innovation. We have regularly got top ranking and ratings by renowned agencies. We have always come out with flying colours during the stringent evaluation process by major international mining companies, both on financial parameters as well as aspects of integrity, disclosures and governance.

All this, without compromising on our core values, ethics and principles. Because at Asian Star,

**NUMBERS
MATTER**

**VALUES
COUNT**



Performance has always been our hallmark, much as the quality of our diamond cuts: irrefutably consistent. In spite of a challenging year, we have delivered a strong performance.

And yet, we have not lost sight of our purpose: to do business in line with our core principles and values. While business environment changes, purpose at Asian Star is non-negotiable.

2017-18 AT A GLANCE

FINANCIAL HIGHLIGHTS

TURNOVER
₹ 390,503
LACS

EBIDTA
₹ 18,787
LACS

PAT
₹ 10,913
LACS

EPS
₹ 68
PER SHARE

BOOK VALUE
₹ 594
PER SHARE

SEGMENT WISE REVENUE

DIAMONDS
₹ 334,356
LACS

JEWELLERY
₹ 55,507
LACS

POWER
₹ 640
LACS

11.8%

Double-digit growth in top-line in spite of a weak market, especially in the second half of the financial year.

65%

Unprecedented rise in profitability driven by higher price realisations and streamlined systems.

277

Rank in Dun & Bradstreet's Top 500 Companies in 2018, reflecting robust financials, strong governance and growth prospects.

FOREVERMARK

Partnered with De Beers Group to become authorised manufacturer of Forevermark diamonds.

ROUGH SUPPLY CONTRACTS

Renewed with all mining companies – Alrosa, De Beers, Dominion and Rio Tinto, after a rigorous evaluation process.

	2017-18	2016-17	2015-16
3 YEARS CONSOLIDATED FINANCIAL PERFORMANCE			
TURNOVER	390,503	349,386	330,220
- DIAMONDS	334,356	297,211	287,244
- JEWELLERY	55,507	51,469	42,487
- POWER	640	706	489
EBIDTA	18,787	12,871	13,021
PAT	10,913	6,613	7,432
EPS (IN ₹)	68	41	46
BOOK VALUE (IN ₹)	594	527	490

IN ₹ LACS

MESSAGE TO SHAREHOLDERS



As the Company grew in terms of size and global reach, governance, compliance and discipline have been non-negotiable. And it is this uncompromising adherence to values that has endured our success and stood the test of time.

- Vipul P. Shah

DEAR SHAREHOLDERS,

I am delighted to present the Annual Report of Asian Star Company Limited for the year 2017-18. The year had its fair share of challenges in the form of continuing headwinds, particularly in the operating context. And yet, amidst these challenges, we can see encouraging signs of positivity and optimism.

The year 2017 saw the rollout of the Goods and Services Tax (GST) Act. This is by far the most important and impactful indirect taxes reforms in the last many decades, and creates for the first time, a unified market with one-nation, one-tax principle. Whilst there were initial issues in its implementation, by the end of the fiscal year, most of these were ironed out. GST has immense long-term benefits as it brings unorganised sectors into the manifold organised stream, and unlocks the true potential of Indian entrepreneurship.

The Indian gems and jewellery business was adversely affected in the last quarter by an unfortunate development that made national headlines. In the aftermath of this, most banks started squeezing credit which affected the working capital management and regular operations. However, I would like to take this opportunity to emphasise the fact that by and large, the gems and jewellery industry operates on strong compliance and adherence to rules. A few outliers cannot and should never be representative of the entire industry.

Amidst this backdrop, the gems and jewellery industry performed well. While global demand for natural diamonds continues to grow at low-to-single digit, the economic growth in the US, improving consumer sentiments and investor confidence are indicative of better days.

It was a good year for Indian gems and jewellery as exports of cut and polished diamonds - the largest segment of the gems and jewellery sector with 58% share, surged to USD 23.7 billion compared to USD 22.8 billion in the previous year, as per Gem and Jewellery Export Promotion Council (GJEPC). Exports of gold jewellery for the year were USD 9.7 billion, registering an increase of almost 11% over last year.

For Asian Star, the year saw the Company deliver consistent performance against a challenging operational context. The Consolidated Turnover for the year was Rs. 3,905.03 crore compared to Rs. 3,493.86 crore last year, an increase of 11.8%. The high point of the year was the remarkable improvement in PAT, which rose to Rs. 109.13 crore against Rs. 66.13 crore in the previous year. This significant 65% rise was driven by a combination of better price realisations and outstanding operating efficiencies.

While these are indeed excellent numbers, at Asian Star, we have always emphasised on values. Since our inception and first steps, we have always been focussed on values, integrity and ethics.

From ethical sourcing to manufacturing, from lasting relationships with top mining companies to a steadfast client base, from strict fiscal prudence to legal compliances and from people policies to credit ratings, every step in the growth journey has been taken ensuring trust, faith and responsibility. It is this focus on Numbers and Values that has made us among the Top 500 Companies in India. We are in the top ranking of Dun & Bradstreet as well as Fortune India with 277 and 391 rank, respectively. This year, we have renewed our rough supply contracts with top mining companies and have also become authorised manufacturers for the Forevermark diamonds by De Beers.

As I look forward to an optimistic and exciting year, I would like to express my gratitude to all our stakeholders who continue to support us with their confidence and trust. Thank you.

Yours sincerely,

Vipul P. Shah
CEO & Managing Director

ABOUT US

Asian Star is today one of the most established names in the world of gems and jewellery, with vertically integrated operations that span across the value chain - from diamond sourcing to diamond cutting and polishing to jewellery manufacturing and marketing to top jewellery brands across the world.

We commenced operations by setting up a cutting and polishing unit in Surat, Gujarat in 1971. Steady and systematic investments and expansion in our infrastructure, while maintaining unerring attention towards quality enabled us to quickly earn the reputation of a trusted diamond manufacturer.

In the next phase of our growth journey, we focused on expanding the reach of our business. Through our extensive global distribution network with presence in major diamond hubs, we are today successfully reaching out to international customers and creating lasting relationships.

Asian Star has the distinction of being one of the first Indian companies in the gems and jewellery industry to become publicly listed. The Company was listed on the Bombay Stock Exchange in 1996, post becoming a public limited company in 1995.

Leveraging our diamond manufacturing edge and strong business relationships, we set up our first jewellery manufacturing unit at SEEPZ, Mumbai in 2000. We completed the final leg of our integrated journey with foray into retail in 2010. Our couture diamond boutique ex-factory has been set up in the strategic city of Mumbai to cater to HNIs.

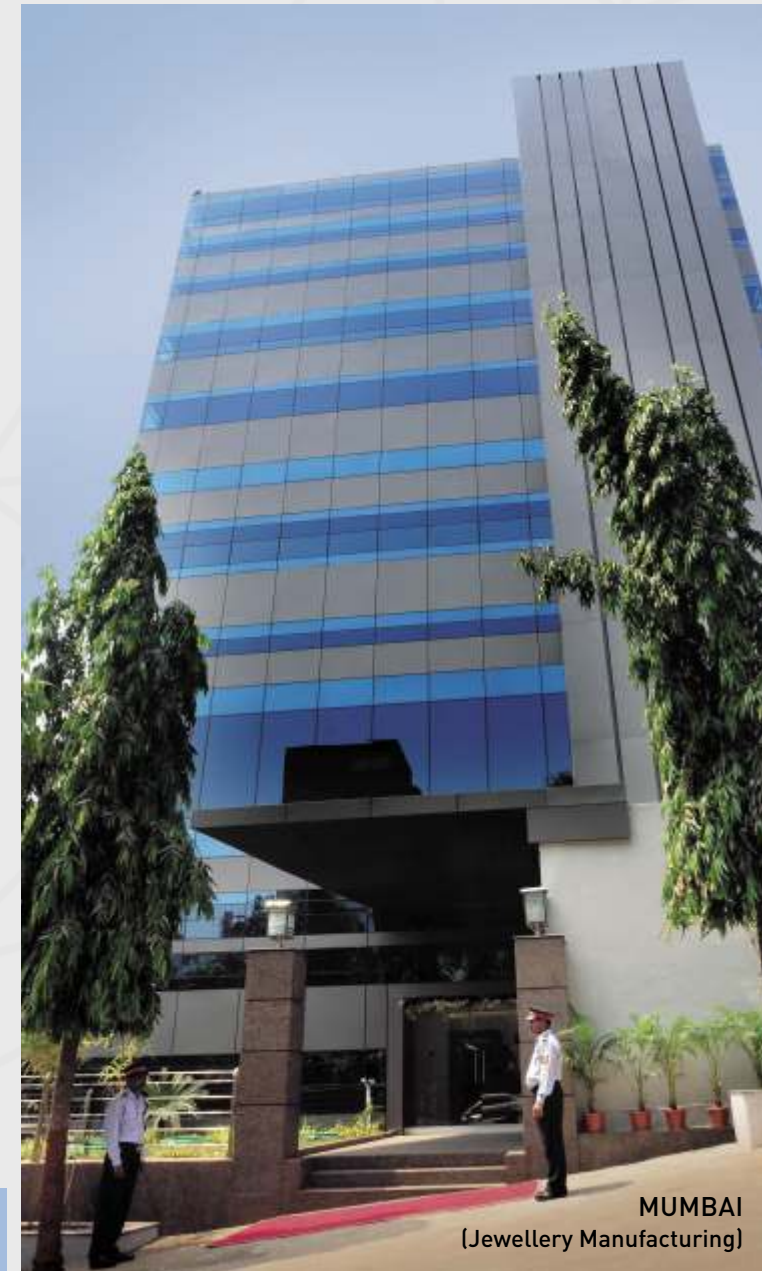


Bettonville Combi Department

Coning



SURAT
(Diamond Cutting & Polishing)



MUMBAI
(Jewellery Manufacturing)

FROM ROUGH DIAMONDS TO RESPLENDENT JEWELLERY, THE HIGHLIGHTS OF OUR INTEGRATED OPERATIONS:

- Cutting and polishing facility at Surat spread over an area of 1,00,000 sq. ft. and employing over 1608 employees.
- Three jewellery manufacturing units at Mumbai and Hosur covering 50,000 sq. ft.
- Present across strategic diamond centres through our 22 marketing arms and subsidiaries.
- Couture diamond boutique ex-factory for exclusive, custom-made jewellery - 'Rendezvous Luxe'.

PEOPLE 2700 EMPLOYEES

LISTING

The Company's shares are listed on the Bombay Stock Exchange (script code-531847) in India.

As on 31st March 2018, Asian Star Co. Ltd. had a market capitalisation of ₹ 1699 crore.



Design Sketching

Rhodium



Expertise developed over the course of 47 years is our key differentiator. From sourcing appropriate rough to the unique Asian Star cut, our expertise spans the entire diamond value chain. It is this expertise that underpins our confident and consistent growth.

And yet, growth is never de-linked from our pernicky emphasis on ethics and integrity. We have never made any compromise or concession, irrespective of challenges or opportunities.

OUR BUSINESS

CUTTING AND POLISHING

Our core business is cutting and polishing diamonds and is undertaken at our state-of-the-art unit in Surat. The facility is equipped with the latest technologies and is driven by highly skilled craftsmen. We are continually upgrading our facility to ensure that it is ahead of the curve in infrastructure, while regularly mentoring and training our people to help them improve their skills and meet global expectations.

Asian Star is highly acclaimed for its mastery in delivering EX-EX-EX Hearts & Arrows cut and proprietary customised cuts. Our edge lies in being able to ensure quality consistency even in the smallest pointer sizes.

DIAMOND JEWELLERY MANUFACTURING

With our robust in-house competencies in jewellery design and manufacturing, we have emerged as the preferred supplier to leading jewellery brands and retail chains across the world. Our large-scale manufacturing capability combined with our expertise in product development positions us well for mass production as well as bespoke jewellery. In fact, led by our sublime designs, expert workmanship and high quality, we have become a leading player in the area of bridal and fashion diamond jewellery. Along with captivating showstoppers, we are also recognised for our elegant and delicate jewellery that is both affordable as well as trendy.

Our design capabilities are driven by our young and talented product design and merchandising team. Working closely with clients, the design team maps global trends and uses these profound insights to create innovative designs that meet contemporary taste.

JEWELLERY RETAILING

Our couture jewellery boutique caters to jewellery connoisseurs. An extensive collection of prêt diamond jewellery is offered to meet the preferences of our discerning customers. Other exclusive services include customised orders with jewellery design consultations for special occasions.

We also host 'Rendezvous Luxe', an annual luxury event in Mumbai, where we showcase our finely handcrafted masterpieces and bespoke diamond jewellery.

POWER

In addition to the diamond business, Asian Star has a modest presence in the power sector with windmills in Maharashtra, Kerala and Tamil Nadu.



Our reach in terms of our global footprint covers all the key diamond markets - from traditional centres like Antwerp to emerging markets like Netherlands. We work closely with top jewellery brands and retail chains ensuring we deliver the best value proposition - from latest designs to timely delivery.

And yet, even as we continue expanding, we have built strong foundations of long-lasting relationships based on credibility. From ethical sourcing from top mining companies and a zero-tolerance policy for conflict diamonds, we continue to focus on credibility - of our diamonds and our brand name.

Asian Star has a commanding global presence, our accessibility and reach reinforced by being present in all the mature diamond markets of the world. We are steadily building our presence in China and India, fast-growing markets of the world. At the same time, we are exploring growth opportunities in new and emerging markets. We are also enhancing our presence in the traditional non-diamond markets through awareness and conversion initiatives with retailers.

OUR KEY DIFFERENTIATORS

- Fully integrated operations provide time efficiency and cost control at all stages
- World-class manufacturing facilities
- Robust global distribution network
- Procurement of rough diamonds from primary sources
- Renowned 'Asian Star Make' and reputation as a one-stop shop
- In-house team of expert designers and merchandisers
- Professionally managed with high standards of corporate governance





Direction at Asian Star has always been about going further and looking farther. Be it expansion of our manufacturing capacity and addition of diamond jewellery operations to strategic shifting of market focus, our direction has always been aligned to our strategic vision.

And yet, even as we march ahead with confidence, it has always been within the strict and clear frame-work of discipline. Our insistence on financial discipline is reflected in consistently high ratings and rankings. With professional management and transparent governance we advance with measured velocity.

ETHICAL DIAMOND SOURCING

Asian Star conforms to a zero-tolerance policy towards conflict diamonds, in line with norms of the global diamond industry. We follow ethical sourcing of diamonds from leading mining companies. Comprehensive tracking and audit of diamonds from mine to market is undertaken as required by mining companies as well as for internal benchmark purposes. We also ensure strict adherence to the guidelines of Responsible Jewellery Council (RJC). To safeguard against the threat of synthetic or CVD diamonds in the industry, we have advanced testing machines at our facilities to maintain integrity of our goods and ensure that no such diamonds enter the pipeline.

TRANSPARENCY

We believe that transparency is critical to enhance and retain investors' trust. Aligned to our value-led culture, every material aspect of Company operations is recorded both to the management as well as to other stakeholders of the Company – from bankers to investors to shareholders. Stakeholder meetings are regularly held for sharing timely and adequate information and apprising them of the Company's progress. Total openness in communications and comprehensive reporting of business has gone a long way in building a strong connect with the community of investors, analysts and other stakeholders.

PROFESSIONALLY MANAGED

Since our inception, we have steered the growth of our business under the direction of professional leadership. Every business function and aspect is driven by professionals with top qualifications and vast experience. The Company is also committed to the highest standards of Corporate Governance by adhering to the principles of integrity, accountability and strict compliance. The Management is guided by well-defined goals and objectives, and the members are decision makers in their own right, thus helping the Company choose the correct path when approaching major forks in the road. Professional management has facilitated business performance, addressing expectations of different stakeholder groups and enhancement of shareholder value.

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 The ALROSA ALLIANCE logo is a trademark used under license From PJSC ALROSA | Select Diamantaire is a trademark of Rio Tinto London Limited, used under licence.

BOARD OF DIRECTORS



DINESH T. SHAH
CHAIRMAN & CFO

The Chairman & CFO of Asian Star Co. Ltd. started his career as a diamond processor and then ventured into the diamond trade in 1971 as a partner in Asian Star Company. His broad strategic vision, business acumen and professional conduct have contributed significantly in the success story of the Company. Under his able guidance and leadership, the Company has attained the status of being one of India's leading exporters of cut and polished diamonds.



VIPUL P. SHAH
CEO & MANAGING DIRECTOR

The CEO & Managing Director of Asian Star Co. Ltd. has created an empire to reckon with through sheer grit and visionary foresight. He has been instrumental in establishing the Company's global network, currently one of the best in the industry. He also initiated the extension and development of the jewellery business. He transformed a manufacturer Company to a value added, vertically integrated supply partner. At present, he is focussing on the overseas business, including procurement of rough, and the financial aspects of the Company.



K. MOHANRAM PAI
DIRECTOR

Mr. K. Mohanram Pai is B.A. and C.A.I.I.B. He has rich and varied experience in the banking industry. He has held offices as Executive D.G.M. of Overseas Operations Dept. with Corporation Bank and as G.M. CVO with United Bank of India. He is a renowned expert in financial matters.



ANAND H. GANDHI
DIRECTOR

Mr. Anand H. Gandhi is B.Com & L.L.B. He is an Advocate in Bombay High Court since 1995. He is a Partner of M/s. Gandhi & Gandhi. Mr. Gandhi specialises in Property Laws which includes drafting documents of property transactions and litigation. He also handles Civil and Commercial litigation in Bombay High Court.



ARVIND T. SHAH
EXECUTIVE DIRECTOR

With enriched experience in diamond manufacturing, Mr. Arvind Shah - Executive Director of Asian Star Co. Ltd. is responsible mainly for the diamond processing activities at all the facilities, management of contractors as well as overall administration. He is also one of the key persons responsible for rough procurement from overseas. He is well - versed with all the requisite quality norms and systems related to diamond manufacturing.



PRIYANSHU A. SHAH
EXECUTIVE DIRECTOR

Mr. Priyanshu Shah, Executive Director of Asian Star Co. Ltd., heads the thriving jewellery operations of the Company. He successfully straddles the production and marketing functions for, both, international as well as domestic jewellery operations. He works closely with the design team to infuse his instinctive aesthetic sense in every design. His vast knowledge of global jewellery trends has resulted in the launch of several successful collections and business initiatives.



APURVA R. SHAH
DIRECTOR

Mr. Apurva R. Shah is F.C.A, C.W.A and a graduate from London School of Economics and Political Sciences. He has also pursued a course in International Accounting & Finance from UK. He was a rank holder in Chartered Accountancy Examination with an award for the highest distinction in Financial Accounting and Direct Tax Laws. He is a partner of Rajendra & Co., Chartered Accountants. He has expert knowledge in the areas of Direct Taxation, Foreign Exchange Management Law, Financial Management and Business Restructuring.



MIYAR R. NAYAK
DIRECTOR

Mr. Miyar R. Nayak is B.Com and C.A.I.I.B. He has participated in a top management programme for Banking conducted by IIM, Ahmedabad and another programme conducted by Kellogg School of Management, USA jointly with National Institute of Bank Management. He has held offices as General Manager, HO of Corporation Bank and as Executive Director of Allahabad Bank. He has vast experience in retail and international banking and treasury operations.



RAHIL V. SHAH
EXECUTIVE DIRECTOR

The youngest Executive Director of Asian Star Co. Ltd., Mr. Rahil Shah, represents the third generation of Shah family. Over the past years, he has been inducted steadily in different functions of the diamond business and currently is closely involved in the everyday functioning of rough procurement and diamond manufacturing. Being technology savvy, he has been instrumental in implementing new technologies at the factory and upgrading the ERP system.



DHARMESH D. SHAH
DIRECTOR

Having started his career in the diamond business from the bottom rung, Mr. Dharmesh Shah, Director of Asian Star Co. Ltd. has been trained in all aspects of the industry in India and abroad. He is well-travelled and has thorough knowledge of current trends prevailing worldwide as well as deep insight of future needs of the diamond market. Presently, he oversees sales and marketing functions of the Company, and has been instrumental in building and nurturing strategic alliances with business partners.



MILIND H. GANDHI
DIRECTOR

Mr. Milind H. Gandhi is F.C.A. He was an all India rank holder in the Chartered Accountancy Examination. He is the founding partner of Gandhi & Associates. Mr. Gandhi has extensive knowledge of Taxation, Audits and Corporate Consultancy. He has specialised in advising and structuring of joint ventures and also inbound and outbound investments.



NEHA R. GADA
DIRECTOR

Mrs. Neha Gada, A.C.A., started her professional career in the year 1997. She has served at managerial position for several years at Bombay Stock Exchange in departments like corporate services, surveillance and supervision, and was instrumental in conceptualising and implementing various systems and modules of the listing agreement. Presently she is running a consultancy firm and specialises in SEBI regulations, listing / compliances with stock exchange and corporate restructuring.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global economy

The global economic growth recorded at 3.8% in 2017 was the fastest since 2011. The growth was broad based with two-thirds countries witnessing a faster growth as compared to the previous year. Green shoots of the trade recovery seen in later half of 2016 continued in 2017 aided by recovery in global demand and a sustained increase in major commodity prices. These countries together accounted for about three-fourths of total global output. Recovery in investment demand in advanced economies, strong growth in Asia and emerging Europe were the major contributors of growth.

Advanced economies grew 2.3% in 2017 versus 1.7% in 2016 primarily driven by a strong pick up in investment spending. Revival in the United States of America (US) continued with accelerated growth at 2.3% in 2017 versus 1.5% in 2016. Led by expansionary fiscal policy, the unemployment in US at 4.1%, was closest to its lowest level in 1960s. Increase in wages and reduction in corporate and personal tax rates led to boost in consumer spending. The Eurozone saw 2.3% growth in 2017 versus 1.8% in 2016. This has been the highest growth rate since 2007, driven by, strong consumption, increase in investments and exports. The Eurozone is in the midst of a broad cyclic expansion, after years of economic stagnation and rolling crisis.

Growth in Emerging Market and Developing Economies was at 4.8% in 2017 as against 4.4% in 2016. Growth in China was led by robust growth in net exports while that in India was led by strong private consumption. Argentina, Brazil, Nigeria and the Russian Federation saw cyclical improvements.

As per the International Monetary Fund (IMF), global growth is expected to pick pace in both 2018 and 2019 to reach 3.9%. Sustained strong momentum, favourable market sentiments and accommodative financial conditions are expected to support growth. Expansionary fiscal policy of US with low corporate tax structure is expected to aid growth in both the domestic and international market in the near term. The partial recovery in commodity prices is likely to further improve conditions for commodity exporters. Accommodative monetary policy in Euro economies is expected to reduce excess capacity. Emerging Asia and Europe are likely to maintain the strong growth momentum. India and China are the only two economies that are projected to surpass the

world's growth rate at 7.4% and 6.6% respectively in 2018. However, China's transition to lower growth is expected to resume as credit growth and fiscal stimulus diminish. Climate change, geopolitical tensions and intensifying trade war between the US and China as well as other trading partners poses threat to the medium term global outlook.

Indian economy

The Year gone by was marked by number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. India's GDP growth bottomed out in the middle of 2017 after slowing for five consecutive quarters, and has since improved significantly, with momentum carrying over into 2018. The second half of FY 2017-18 witnessed a strong rebound in economic activity post a soft demand scenario in the first half clouded by after-effects of demonetisation and the implementation of Goods and Service Tax (GST). As per second advanced estimates issued by the Central Statistics Organisation (CSO), India's GDP at constant prices is expected to grow by 6.6% in FY 2017-18 as compared to 7.1% in the previous year. The growth is mainly attributable to a turnaround in investment demand, acceleration in manufacturing, pick-up in capacity utilisation, strong activity in the services sector and a record agricultural harvest.

The Government's impetus on Make In India, investment in infrastructure and smart cities, rising disposable income and lower range-bound inflation are acting as strong pillars of growth. The implementation of the Seventh Pay Commission worked in favour of boosting consumption. India was ranked as the 100th most eligible place for 'Ease of Doing Business' amongst 190 countries as per the World Bank with a jump of 30 positions from previous year. This is a good indicator of India's strong macro-economic performance. India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization and IMF and it is expected to be one of the top three economic powers of the world over the next 10-15 years.

As per IMF, India is poised to grow at 7.4% in FY 2018-19 and 7.8% in FY 2019-20 led by implementation of structural reforms that raise productivity and incentivise private investment. Moderate levels of inflation, anticipated growth of industrial sector, and the expectation of greater stability in

GST could lead to accelerated pace of growth. The recently surfaced frauds in the banking system and the resultant provisioning and the treasury losses pose a risk to growth.

INDUSTRY OVERVIEW

The Global Gems and Jewellery Industry

The industry continued to witness gradual recovery in demand in the year 2017. The first half of 2017 was marked by strong demand in Gems and Jewellery across the globe, though the second half witnessed relatively slow demand scenario. During the year, most players destocked the high inventory piles of 2016. Demand for rough diamonds returned aggressively in early 2017 led by recovery in manufacturing in India as demonetisation effect slowly subsided. However, by mid-year, new polished diamonds entered the market which led to oversupply of diamonds forcing manufacturers to pull back operating activity.

Global consumer diamond demand is expected to grow at low-to-mid single digit in 2018. Major miners may curtail supply to market, if necessary, to restore supply/demand balance. The demand is likely to be driven by an improving economic environment and strong consumer confidence in the US macro-economic, returning growth in China, an overall positive global macro-economic tailwinds supporting global growth, financial markets and consumer sentiments. The US retail market continues to dominate the global diamond demand, representing almost 50% of the total market. India is the diamond industry's third largest and fastest growing consumer market. Middle-class population growth in Mainland China and India continue to be the strongest driver of global diamond demand growth.

The Indian Gems and Jewellery Industry

The Gems and Jewellery industry plays a vital role in the Indian economy with contribution of about 7% to its GDP. The sector is home to more than 300,000 Gems and Jewellery players and employs over 5 mn employees. India has become the undisputed world leader in cut and polished diamond exports industry, polishing nearly 'One Billion' stones each year. India is one of the largest exporters of Gems and Jewellery in the world. India's Gems and Jewellery sector is a leading foreign exchange earner for the country and contributes over 15% to India's total merchandise exports.

Over the last ten years, the Gems and Jewellery exports from India have doubled to USD 41 bn in 2017-18 as against

USD 21 bn in 2007-08. During the same period, Cut and polished diamond exports grew to USD 24 bn from USD 14 bn in 2007-08. India's leading export destinations were Hong Kong with 33% share, followed by United Arab Emirates (UAE) with 25% share and the US with 23% share.

The Government recognises the contribution of Gems and Jewellery industry and has put thrust on development of the sector for export promotion. It has been very supportive to the industry and has taken various measures including promoting India as sourcing and trading hub, proposed development of Gems and Jewellery parks, focused on skill development through Skill India campaign, technology up-gradation and promotion of brand India in international markets.

Cut and polished diamonds

Indians have always been connoisseurs of precious stones and ornaments. Diamond cutting and polishing is an art and it has been passed on from one generation to another ensuring continuity of traditional craft. India continues to enjoy the leadership position in the cutting and polishing of diamonds. According to the Gems and Jewellery Export Promotion Council (GJEPC), India exports 93% of world's polished diamonds worth USD 24 bn and almost 14 out of 15 diamonds set in jewellery worldwide are processed in India. Over the years, the industry has steadily moved up, building upon its capabilities and capacities. It has successfully blended modern techniques with its traditional know-how and today, it offers the unique advantage of cost effectiveness, assured quality, fine make and quick turn-around times.

Growth in the Gems and Jewellery exports was primarily driven by the cut and polished diamonds segment. During the year, exports of cut and polished diamonds witnessed a growth of 4.17% at USD 23.7 bn in 2017-18 as compared to USD 22.7 bn in 2016-17. In volume terms, exports amounted to 34.9 mn carats, compared to 32.2 mn carats in the previous year.

Jewellery

Jewellery is fastest growing segment in the Gems and Jewellery industry. Jewellery exports registered a growth of 10.91% with exports at USD 9.7 bn during 2017-18 as compared to USD 8.7 bn in 2016-17. India is steadily growing as a global jewellery manufacturing hub. India continues to gain prominence with worldwide retail chains and majors as

a sourcing destination for high quality, cost effective and modern design jewellery. This is a reflection of the sustained marketing, branding and promotional efforts by the industry with its ever-improving design and manufacturing excellence. The Government of India has permitted 100% Foreign Direct Investment (FDI) in the sector under the automatic route which will provide strong financial and technological support in the development of the sector.

The US is the largest consumer of Diamonds and Jewellery globally. It imports 16% of its jewellery from India. The industry is making concentrated efforts to grow demand for "Indian Made" jewellery in established markets such as US, Hong Kong, China etc., as well as exploring and penetrating new markets such as Latin America, Russia, South East Asia, Iran, Turkey etc.

The domestic jewellery market is witnessing a continuous shift of preference towards branded jewellery driven by various factors such as Increasing disposable income, exposure to the global trends due to easy availability of internet and aggressive marketing and branding initiatives. Branded Jewellery has an aspirational value catering to the rising desire and wants of growing young and urban population. Organised players expanding their footprints in Tier II and Tier III cities to capture the untapped market is expected to increase their market share going forward.

Outlook

Global economic outlook for the year 2018 is very encouraging and promising with revival in major economies of the world backed by increased investments, improved manufacturing and trade and growing demand. The industry seems poised for a bright future with encouraging demands in most of the major diamond consuming countries based on strong economic prospects, positive consumer sentiments and committed investment from the industry on marketing and branding. Consumer appetite for the jewellery which was dampened by the economic slowdown has resurged. Demand in the US, the largest market in the world accounting for half of the total jewellery consumption has been very upbeat with increasing employment and wages and growing consumer confidence. China, the world's second largest market for diamond jewellery returned to positive growth in 2017 and the momentum is expected to continue in 2018. Europe too is coming out of long period of economic crisis which is encouraging for the industry. Indian jewellers are expecting 10% rise in India's gem and

jewellery exports for 2018-19 on the back of demand from new markets, demand recovery in traditional markets of the US, China and the UAE as well as from the depreciation in the rupee against the USD.

The Indian economy has picked up growth momentum in the second half of 2017-18 post stabilisation of GST regime. Majority of the sectors are back to growth trajectory and the phase of low growth seems to be far behind. This augurs well for the growth of Gem and Jewellery sector. Growth in India's Gems and Jewellery sector is expected to be led by development of large retailers. Aided by the implementation of GST and growing penetration of branded players, the organised market is witnessing lucrative growth. E-commerce channel is also gaining traction and is expected to account for 1-2% of the fine jewellery segment sales by 2021-22. The relaxation of restrictions of gold import bodes well for the growth of the industry. Easy access to low cost gold metal loans will further add to the growth momentum. The end of the year may have some volatility due to approaching election in the beginning of the next fiscal year.

COMPANY OVERVIEW

Asian Star Company Limited is amongst the most respected players in the industry with spotless reputation of over 47 years. The Company has emerged as a leading diamantaire over the years and has an integrated model from manufacturing to marketing to retail. Head quartered in India, the Company has strong manufacturing strength with three jewellery manufacturing units and a facility for polishing loose diamonds. The Company has direct supply arrangement of rough diamonds from the top global mines. It has a widespread global footprint with marketing arms in major trading and consuming centres of the world – Chicago, New York, Antwerp, Dubai, Shanghai, Hong Kong, Bangkok and Singapore. More than 75% of the Company's turnover is generated from overseas markets. The Company also has earned the status of approved manufacturer for major retail brands, which speaks volumes of its deep-rooted business ethics, superior quality products and supply reliability.

Manufacturing Facility for Polished Diamond

The Company owns a world-class state-of-the-art manufacturing facility for polishing of loose diamonds at Surat (Gujarat, India). The technologically advanced facility is spread over 1 lakh sq. ft. and provides employment to over

1,600 highly skilled artisans. The production team has unique experience and expertise accumulated over four decades, and is capable and competent to handle the complexities of diamond cutting to achieve optimal yield and best value for client. The Company's competency in manufacturing polished diamonds assures an extensive product range - fine makes in round brilliant, in all colours and clarities up to 5 carats, customised proprietary cuts and generic fancy shapes. The Company's procurement of rough diamonds is through Kimberly Process which ensures conflict-free natural diamonds for clients. The Company's constant endeavor for consistency in quality and cut has earned it the 'Asian Star Make' status in the trading circles.

Manufacturing Facility for Jewellery

Jewellery manufacturing has become the focus area for the Company and it is undertaken at the three world class manufacturing facilities. The facility at SEEPZ in Mumbai has a production capacity of 3 lakh pieces per annum and caters exclusively to the international markets. The jewellery designed here is customised to local trends with trademark precision. The other two facilities help to serve the domestic market and are spread across 40,000 sq. ft. area at MIDC in Mumbai and Hosur in Tamil Nadu with a total annual production capacity of 4.5 lakh pieces. Complete in-house manufacturing with team of creative designers, experienced artisans, and use of latest possible equipment and technology enables the Company to deliver every piece of jewellery of best quality and precision in detail. Its lean manufacturing process allows the Company to minimise production cycle and offer quality products at competitive prices.

Distribution

The Company has established longstanding relationships with the world's leading brands and retailers. This is the result of relentless focus on providing the best technical and marketing services available in the industry. The Company's focused marketing approach is reflected through its presence in all major trading and consuming centers across Asia, Europe and America. The Company provides specialised quality control programme which enables it to create a differentiated positioning. The Company offers access to extensive design bank with customised designs as per evolving market needs. The Company has access to detailed information on market updates and global design trends, enabling it to create a lasting impact on the consumer.

Retail

Keeping in line with its unique offerings the Company caters exclusively to high net worth individual (HNI). The Company operates through a spacious and luxurious couture diamond boutique ex-factory in the niche jewellery retail segment. In addition to a wide range of ready-to-wear studded jewellery, the Company also undertakes customised requests with jewellery design consultations for special occasions to suit the exact choice and preferences of its customers. Annual luxury event - Rendezvous Luxe, a couture diamond jewellery extravaganza for Mumbai's elite is hosted by the Company. Themes for the event are inspired from varied sources such as history, nature and art. The Company enables design conceptualization for the collections at this event.

FINANCIAL OVERVIEW

Growth picked up meaningfully in the global Gems and Jewellery industry in the year under review, though the domestic industry slowdown in the second half of the year. The Company registered an impressive performance during the year. The Company's Total Income from Operations at consolidated level was at Rs. 3905.03 crore in 2017-18 as compared to Rs. 3493.85 crore in 2016-17, up by 11.77%. The diamond business achieved top line of Rs. 3343.56 crore in 2017-18 as compared to Rs. 2972.11 crore in 2016-17, up by 12.50%, Sales in Jewellery business stood at Rs. 555.07 crore in 2017-18 as compared to Rs. 514.69 crore in 2016-17, up 7.85%.

Consolidated PAT (excluding exceptional items and comprehensive income) rose to Rs. 114.17 crore in 2017-18 from Rs. 64.81 crore in 2016-17, up by 71.50%. The Company has crossed the milestone of Rs. 100 crore PAT on the back of better price realizations and operational efficiencies with exceptional performance by its UAE subsidiary. The consolidated networth of the Company stood at Rs. 983.60 crore as at the end of 2017-18.

OPPORTUNITIES

Pick-up in demand in the US

The US market is undoubtedly the largest jewellery market in the world with more than half of its market being dominated by the diamond jewellery segment. This largest consumer of diamonds and jewellery is showing an upward demand trend. The US imports 16% of its jewellery from India. The expansionary fiscal policy has driven the economy above full employment. With the announcement of tax

reform demand is upbeat as the reform has led to lower corporate tax rates and temporary allowance for full expensing of investment, which is anticipated to stimulate short-term activity. Following the February 2018 bipartisan budget agreement, there has been significant jump in public spending. This bodes well for the fashion driven low cost high frequency jewellery demand.

Rise of e-commerce

Online sale is the fastest growing channel of sales among all categories from fast moving consumer goods to consumer durables. Similarly, the international jewellery market also has a significant influence of e-commerce. With growing prevalence of hallmarking and certification, online sale of jewellery is also catching up in the domestic market. Branded players are increasingly using social media to influence millennial. Especially the low cost jewellery which is popular in the markets of the US, Europe etc. is gaining increasing popularity through the online route. The e-commerce platform is an economical way for jewellers to expand geographical footprint without the need of physical infrastructure. Companies are in a comfortable position to dole out attractive discounts on the online portal without compromising on margins. For consumers who are fighting work life balance, features like easy access to a wide variety of designs, attractive discounts, doorstep delivery, easy return/replace policy, certification, a host of payment options, make it the preferred option versus visiting a traditional jewellery shop. According to Connecting Dots, online fashion jewellery sale is projected to comprise 15% of the total market by 2020. Currently the global online fine jewellery market accounts for 4 to 5% of the total global jewellery sales. In the domestic market, while currently the total e-tailing market accounts for less than 1% of total sales, the USD 135 mn online jewellery sector in India has been growing rapidly and is projected to become USD 2 bn market by 2022.

Strong domestic demand

The industry has returned to normalcy after aberrations caused by demonetisation and GST. The retail jewellery segment in India is witnessing buoyant demand on the back of favourable demographics and improved consumer sentiments. Rising young middle class, growing urbanised population and increasing women employment is expected to boost the domestic demand. Recent trend suggests that

consumers' jewellery purchase habits are evolving from bulk purchase during promotional periods to buying less at a time, but more frequently. The Indian consumer is using jewellery more like a fashion accessory than an investment option. There is also the emergence of a few impulse buyers looking for quality and purity over quantity. Customer's preference for purchase lightweight jewellery is also the result of the need to put up with the high prices. With GST in place, the shift from unorganised to organised sector and customer-centric initiatives doled out by private players is working in favour of growth of branded players. Demand for customised jewellery is also increasing with jewellers offering made to order products to suit the occasion as per individual choice and preference of the customer. Rural demand is picking up with the Government's supportive policies for agricultural and rural development

Government's support to the Industry

The Gems and Jewellery sector plays a significant role in the Indian economy as it is one of the fastest growing sectors, and is extremely export oriented and labour intensive. Based on its potential for growth and value addition, the Government of India has declared the sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100 per cent Foreign Direct Investment (FDI) in the sector through the automatic route. The cumulative FDI inflows in diamond and gold ornaments in the period April 2000 - September 2017 were USD 1 bn, according to Department of Industrial Policy and Promotion (DIPP). An international diamond exchange is to be set up in Surat by October 2020 at a cost of Rs 2,400 crore to promote the sector on the global map. Initiatives taken by various state governments for setting up exclusive jewellery parks will bolster the development of the industry.

Growing prevalence of branded jewellery in exports

Most of the jewellery exported from India is unbranded resulting in larger share of the margin being retained by the overseas branded player. The GJEPC together with branded players is working on branding the jewellery that is exported under 'Brand India' initiative. Understanding the mindset of the foreign buyers, the players are working on light jewellery using low carat gold unlike Indian preference. The sector is shifting to self-design, manufacture and branding of their products to gain visibility on the global platform. This will give the artisans and jewellers the due credit and contribute meaningfully in enhancing margins.

Jewellery demand for fashion

Demand for fashion jewellery is fast catching popularity with Indian consumers with more women joining the workforce. Jewellery is increasingly being viewed as a fashion accessory than as an investment option with popularity of light weight low cost jewellery growing. Frequency of purchases has been on the rise as women wish to change look and style more often. The concept of flashy gold jewellery is fast diminishing, with platinum and diamond jewellery gaining centre-stage. The rising price of gold is further contributing to the case of low carat jewellery popularity.

RISKS, THREATS AND CONCERNS

Low margins

The release of old inventory seen on the global level in 2017 led by robust consumer demand uptick put jewellers in a better position to recover operating costs. However, the prices of the rough continued to move upwards and is expected to remain firm in the future whereas the prices of finished products have not moved up in tandem. Interest rate worldwide is firming up and is expected to increase further in coming year. These factors have put pressure on the already thin margins with limited scope of improvement in price realisations. Players are looking to expand geographical presence, increase e-commerce presence and innovate products and promote the cause of fashion jewellery to cope up with margin pressures.

The Company has its own manufacturing facilities that work on a "lean Manufacturing Process", with high yields and among the lowest wastages in the Industry. Beside this the Company has contractual agreements with leading miners

enabling it to procure rough diamonds at very competitive prices. Being vertically integrated allows the Company to offer lowest-cost solutions to its customers. The Company is always upgrading its technology and processes and emphasising on product innovations, thereby becoming more efficient not only in terms of quality and processing time, but also in terms of product pricing.

Liquidity crunch

Gems and Jewellery is working capital intensive industry due to its long production and realisation cycle. Finance is a backbone of the Industry. The industry has prospered over the years with the strong and continuous support of banks. Following the economic slowdown, financial defaults in the industry have been on rise in past few years forcing banks to become more conservative and selective in extending credits. The recent bank scam has shocked the industry and shaken the faith of banks. It has severely affected the reputation of the industry with banks tightening the liquidity. Banks are reducing or curtailing their exposure to the industry and are demanding increased collateral to protect them. This has created severe liquidity crunch having adverse impact on the performance, growth and profitability of the industry.

GJEPC has strongly taken up the matter with the Finance Ministry and the banks and is trying to convince them the recent defaults are not due to business failures and banks should change their outlook and not take harsh measures against the industry. Finance is key function at the Company and is managed by strong team of experienced professionals. Though the Company is not immune to the crisis, it is well protected having sustained confidence of the bankers and sufficient reserves and surplus of Rs. 967.60 crore. The Company enjoys one of the top ratings in the Industry assigned by CARE for its bank facilities.

Rapid growth of cheaper substitutes

With rapid proliferation in production of gem-quality synthetic diamonds, the demand for natural diamond jewellery stands at risk. Though synthetic diamonds are produced with the intention of industrial use, given the rising prices of diamond increasingly synthetic diamonds are mixed with natural ones. The synthetic diamond output is expected to equal that of natural diamonds by 2035. To counter this threat of high prevalence of substitution of diamonds, various Councils and jewellery players are investing in machines and processes to detect synthetic

diamonds. The concept of certification is gaining popularity to restrict use of synthetic diamonds as cheap substitutes in jewellery. The Company, being cognizant of this threat deploys advanced equipments to successfully detect synthetic diamonds.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's strong internal control systems enable it to be agile and focus driven at all times. The control framework is formulated in view of the complex nature and size of the business operations. The framework encompasses various facets of governance, compliance, audit, control and reporting. The Company is extremely particular on strict adherence to all the systems and processes and ensures clear documentation, regular appraisal and updation by internal and statutory auditors. These internal control procedures ensure the following:

- Skillful use and safeguard of resources
- Strict compliance to policies, procedures and statutes
- Precision and timeliness of financial reporting

The internal audit is reviewed by the senior management who ensures strict compliance. The audit minutely monitors all business operations and ensures that variances are promptly reported to the Management. Without any exception or concession, all environmental norms, legal rules and statues are strictly adhered to. Constant review and updation of systems is the primary function of the Audit Committee. The Company maintains satisfactory internal financial controls pertaining to financial statements. The year under review witnessed no remarkable weakness in the design or operation.

HUMAN RESOURCES

Intellectual capital is one of the key resources for the Company to ensure business sustainability and growth. The Company is cognizant of the importance of its human resource (HR) and thus works towards building an environment which is safe, conducive and productive. Periodic skill and personnel development training is an integral part of HR policies. The Company has adopted an open-door policy which ensures transparent and engaging work environment. The employees are encouraged to directly communicate with the management and express their views. Ensuring high productivity, employee satisfaction, unflagging motivation, and high retention rate

are the key focus areas of the HR team. These policies lead to a sense of belongingness for the employees. Employees are motivated to help them feel empowered in driving business profitability. The management has extended sincere appreciation for the efforts of all its employees.

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty-Fourth Annual Report on the Business and Operations of your Company together with the Audited Statement of Accounts for the year ended March 31, 2018.

Financial Results

(Rs. in Crores)

PARTICULARS	2017-2018	2016-2017
Total Sales	2726.56	2,696.52
Add : Other Income	11.05	8.55
Total Income	2737.61	2,705.07
Less : Total Expenditure	(2639.54)	(2597.45)
Operating Profit (PBDIT)	98.07	107.62
Less : Interest and Depreciation	41.56	40.15
Profit before Exceptional Items and Tax	56.51	67.47
Exceptional Items – Income / (Loss)	(4.89)	(0.44)
Profit before tax	51.62	67.03
Provision for Tax	19.65	22.76
Provision for Deferred Tax	(3.67)	(0.21)
Profit after Tax	35.64	44.48
Other Comprehensive Income	(0.25)	(1.74)
Total Comprehensive Income	35.39	42.74

Financial Performance of the Company

Your Company reported growth in revenue from operations of 1.11% over the previous year with sales of Rs. 2726.56 crores against that of Rs. 2696.52 crores in the previous year. The Company's profit after tax is Rs. 35.64 crores against that of Rs. 44.48 crores in the previous year.

Change in the nature of business, if any

There is no change in the nature of business of your Company during the year under review.

Material changes and commitments, if any, affecting the financial position of the Company:

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company.

Dividend And Reserves

Your Directors are pleased to recommend a dividend of 15% i.e. Rs. 1.50 per Equity Share of Rs. 10/- each aggregating to Rs. 240.10 Lakhs for the financial year ended March 31, 2018 subject to the approval of the members on September 25, 2018. During the year under review, your Company transferred a sum of Rs. 2 Crore to the General Reserve out of amount available for appropriations and rest of the profit is to be retained in the Profit and Loss Account.

Share Capital

During the year there is no change in share capital of the company.

The paid up capital of the Company as at March 31, 2018 stood at Rs. 16,00,68,000/-

During the year under review, the Company has not issued:

- Equity Shares with differential rights
- Sweat Equity Shares
- Employee Stock Options

No provision of money was made by Company for purchase of its own shares by employees or by trustees.

Deposit

Your Company has not accepted any deposits during the financial year under review.

Scheme of Merger

The Scheme of Merger by Absorption (the "Scheme") for merger of Asian Star Jewels Private Limited, wholly owned subsidiary into Asian Star Company Limited with the appointed date as April 1, 2017, has been filed with the National Company Law Tribunal, Mumbai Bench ("NCLT") for approval. Upon receipt of approval, the Scheme shall be given effect to in the financial statements of the Company.

Performance of Subsidiary Companies

Asian Star Jewels Private Limited

Asian Star Jewels offer world class diamond jewellery to its global clientele through a widespread marketing network. The Gross Revenue of the Company for FY 17-18 is Rs. 14,303.45 Lacs as compared to Rs. 14,582 Lacs in previous year. Profit after Tax stood at Rs. 616 Lacs for FY 2017-18 as compare to Rs. 434.17 Lacs in previous year.

Asian Star DMCC

Asian Star DMCC carries out trading in diamonds catering mainly to UAE market. The Gross Revenue of the Company for F.Y 17-18 is US \$ 12,783,930 as compared to US \$ 4,700,207 in previous year. Profit for the year was US \$ 10,830,758 as compared to US \$ 3,368,931 in previous year.

Asian Star Company Limited (USA)

Asian Star Company Limited (USA) is engaged in diamond trading and caters to the USA market. Gross Revenue of the company stood at US \$ 677,513 for the Year. Net Profit after tax was US \$ 68,013 .

Asian Star Trading (Hong Kong) Limited.

Asian Star Trading (Hong Kong) Limited is engaged in trading of diamonds. Gross revenue of the Company stood at US \$ 108,719.79 as compare to US \$ 101,359 in previous year. Profit after tax is US \$ 102,662.68 as compared to US \$ 91,206 in previous year.

Associate Company

Shah Manufacturers

Shah Manufacturers is engaged in processing of diamond on job work basis. Gross revenue for Current year is Rs. 9,042.22 lacs as compare to Rs. 4,535.69 lacs in previous year. Profit after tax is Rs. 25.19 lacs as compared to Rs. 46.85 lacs in previous year.

There has been no material change in the nature of business of the subsidiaries.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries and the associate company is set out in the prescribed form AOC-1, which forms part of the annual report. Performance and financial position of the subsidiary companies and the associate company is given in Annexure – A

Consolidated financial statements

The Consolidated Financial Statements of the Company, its subsidiaries and associate company are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the

Annual Report and are reflected in the Consolidated Financial Statements of the Company.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

Corporate Governance Report

Your Company has always been devoted to adopting and adhering to the best Corporate Governance practices. The Company understands and respects its fiduciary role and responsibility towards stakeholders and society at large and strives hard to serve their interests, resulting in creation of value and wealth for all stakeholders.

As a listed company, necessary measures are taken to comply with the listing agreements of the Stock exchanges. A "Report on Corporate Governance", along with a certificate of compliance from the statutory auditors of the Company - Mahendra Doshi & Associates, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Listing Regulations (erstwhile Listing Agreement entered into with the Stock Exchanges) forms an integral part of this Report.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9, as required under section 92 (3) of the Companies Act, 2013, and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014 is annexed, as Annexure – B and forms an integral part of this Report. The copy of Annual Return is available on our website under "Investor Center" section at www.asianstargroup.com.

Directors and Key Managerial Personnel

A. Key Managerial Personnel:

The following are Key Managerial Personnel of the Company:-

1. Mr. Dinesh T. Shah: Chairman and CFO
2. Mr. Vipul P. Shah: CEO and Managing Director
3. Ms. Aparna R. Shinde: Company Secretary

B. Directors:

In accordance with provision of section 152 of the Companies Act 2013 and Articles of Association of the Company, Mr. Dinesh T. Shah and Mr. Dharmesh D. Shah retires by rotation at the forthcoming Annual General Meeting. Accordingly Mr. Dharmesh D. Shah and Mr. Dinesh T. Shah based on their consent and eligibility are proposed for re-appointment. Their re-appointment forms a part of the Notice of the ensuing Annual General Meeting.

Mr. Rahul V. Shah (DIN:- 06811700) was appointed as Executive Director of the Company for a term of 5 years. His present term will expire on January 17, 2019. It is proposed to appoint him as Executive Director at the ensuing Annual General Meeting on terms and conditions decided by the Board of Directors.

Mr. Kundapur Mohanram Pai (DIN: - 00007198), Non-Executive Independent Director has attained the age of 81 years in the month of February 2018. As Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 and other applicable provisions, if any, of the Companies Act, 2013. The Company seeks consent of the members by way of special resolution for continuation of his holding of existing office after the age of 75 years during the tenure of his appointment.

Based on performance evaluation done by Board of Directors and recommendation of Nomination and Remuneration Committee appointment of Mr. Kundapur Mohanram Pai (DIN 00007198), Mr. Apurva Rajendra Shah (DIN 00004781), Mr. Milind Hasmukh Gandhi (DIN 01658439) and Mr. Miyar R. Nayak (Din 03352749) as Independent Directors whose term will expire on May 21, 2019 and being eligible for appointment as an Independent Directors of Company for

second term of 5 (five) consecutive years, i.e. up to May 21, 2024 subject to the approval of Members at the ensuing Annual General Meeting.

C. Board independence:

Our definition of 'Independence' of Directors is derived from Listing Regulations (erstwhile Listing Agreement entered into with the Stock Exchanges) and Section 149(6) of the Companies Act, 2013.

The following Non-Executive Directors are Independent in terms of Listing Regulations (erstwhile Listing Agreement entered into with the Stock Exchanges) and Section 149(6) of the Companies Act, 2013:-

1. Mr. K. Mohanram Pai
2. Mr. Apurva Shah
3. Mr. Milind Gandhi
4. Mr. M. R. Nayak
5. Mrs. Neha Gada
6. Mr. Anand Gandhi
7. Mr. Hasmukh Gandhi*

*Mr. Hasmukh B. Gandhi (DIN: - 00009153), Independent - Non Executive Director, ceased to be director of the Company due to his sad demise on May 24, 2017.

D. Declaration by an Independent Director(s):

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act, Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

Number of meetings of the Board

The Board met four times during the financial year, as held on May 24, 2017, August 10, 2017, November 10, 2017 and February 6, 2018 the details of which are given in the "Report on Corporate Governance". The Company has complied with applicable Secretarial Standard issued by the Institute of Company Secretaries of India.

Committees of the Board

There are currently six Committees of the Board, as follows:

- Audit Committee
- Finance Committee
- Corporate Governance Committee
- Stakeholder Grievance's Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

Annual Evaluation of Board Performance and Performance of its Committees and of Directors

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the individual Director as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure for the performance evaluation process for the Board, its Committees and Directors. Directors were evaluated on aspects such as attendance and contribution at

Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

Familiarisation Programme/Training of independent directors

Your company have developed an orientation programme known as familiarisation programme which is for the benefit of every new independent director of the Board. To familiarize the new inductee(s) with the strategy, operations and functions of our Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management. In addition, the Company also keeps the Independent Directors, updated on the events and developments in the industry and business environment.

Corporate Social Responsibility (CSR)

Company has a CSR Policy which emphasising its focus on community development projects, prioritizing local needs in the area of education, health, livelihood and environment, for ensuring long term sustainable benefits. Detailed policy is available on our website: www.asianstargroup.com.

CSR programs or projects to be undertaken by the Company in terms of this Policy, shall relate to one or more activities listed in Schedule VII of the Companies Act, 2013, at present or as may be amended from time to time. The CSR Committee comprises of Mr. Arvind T. Shah, Executive Director (Chairman), Mr. Dinesh T. Shah, CFO & Executive Director (Member) and Mr. Milind H. Gandhi, Independent Director (Member).

As part of its initiatives under "corporate social responsibility" (CSR), the company has contributed funds for the schemes of promotion of education, medical aid, eradicating hunger and malnutrition, promoting special education, promoting education facilities for tribal children and rural development projects etc. The contributions in this regard have been made to various registered trust which are undertaking these schemes.

The Report on CSR activities is annexed herewith as: Annexure - C.

Particulars of Employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure - D to the Board's report.

Other information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Auditors

a. Statutory Auditor

In accordance with the provisions of section 139(1) of the Companies Act, 2013, Mahendra Doshi & Associates, Chartered Accountants, (Firm Registration Number 105765W) are the statutory auditors of the Company appointed in 23rd Annual

General Meeting held on 28th September, 2017 until Conclusion of 28th Annual General Meeting to be held in 2022. The Company has received confirmation from them to the effect that they are not disqualified for holding the office of the Auditors.

The response of your Directors on the observations made by Statutory Auditor is as follows:-

The Director's Identification Number (DIN) of some of the directors was deactivated during the year on account of non compliance of annual filing requirements in a private limited Company in which they are directors. The DIN of Directors was reactivated by the Ministry of Corporate Affairs after complying the necessary provisions of the Act in respect of the filing of the financial statements. The Directors of the Company ensure the compliance of all the applicable provisions of the Act even in respect of their directorship in other Companies in future.

b. Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules 2014, the Board of Directors of the Company had appointed Suresh Anchaliya & Company, to undertake the Internal Audit of the Company for the year ended March 31, 2019.

c. Secretarial Auditor

Pursuant to provision of Section 204 of the Companies Act, 2013 and rules made thereunder, the board has appointed Messrs Yogesh D. Dabholkar & Co. a firm of Company Secretaries in Practice (C.P.No. 6752) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure- E and forms an integral part of this Report.

The responses of your Directors on the observations made by the Secretarial Auditor are as follows:-

Response to point No.1

Asian Star considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. Asian Star CSR initiatives are on the focus areas approved by the Board benefitting the community. The Company is in the process of identifying the right charitable institutes to be associated with which has vis-a-vis same purpose as that of company CSR Policy. Due to non availability of viable projects during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

Response to point No.2

As a part of the funding requirement, the company had agreed to give interest free loan to its wholly owned subsidiary in India. The management of the Company will take care of compliance of the provisions of the Act in respect of levy of interest on the loan granted to its wholly owned subsidiary.

Response to point No.3

The Director's Identification Number (DIN) of some of the directors was deactivation during the year on account of non compliance of annual filing requirements in a private limited Company in which they are directors. The DIN of Directors was reactivated by the Ministry of Corporate Affairs after complying with the necessary provisions of the Act in respect of the annual filing requirements. The Directors of the Company shall ensure the compliance of all the applicable provisions of the Act even in respect of their directorship in other Companies in future.

Response to point No.4

The Company is law abiding entity, and is endeavor to file all required forms and returns with the Registrar in time. However, there have been few delays which the management ensures to take care in future. The Management is hopeful and committed to their level best to streamline the same in future.

Internal Control System and their Adequacy with reference to Financial Statements:

Your Company has adequate systems and processes of internal controls which are commensurate with its size and nature of operations. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial information, complying with applicable statutes, safeguarding of assets, authorization of transactions and adherence to the Company's policies and practices. The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by Internal Auditor. A report on internal financial controls is provided in Annexure B to Independent Auditor's Report.

Particulars of Loans, Guarantees or Advances

Details of Loans, Guarantees or Advances covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statement.

Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Listing Regulations (erstwhile Listing Agreement entered into with the Stock Exchanges) & Companies Act, 2013 ('the Act'). There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for approval. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website: www.asianstargroup.com

Details of significant and material orders passed by the regulators/courts/tribunals impacting the going concern status and company's operations in future:

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

Energy conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Conservation of Energy

The activity of the Company does not require large-scale consumption of energy and the Company is not covered in the list of industries required to furnish information relating to conservation of energy nevertheless Company has been pursuing generation of energy from wind power through establishment of Wind Turbine Generators (WTGs) since 2006. The Company's windmills are located in the state of Maharashtra, Tamil Nadu & Kerala.

Wind Energy

As a part of its social commitments and endeavor to carry out operations in a more sustainable manner, the Company has always been inclined to promote a cleaner and greener environment. The Company has been pursuing generation of energy from wind power through establishment of Wind Turbine Generators (WTGs) since 2006. The Company's windmills are located in the state of Maharashtra, Tamil Nadu & Kerala. During the year 2017-18, the Company has generated 197.57 lacs kwh resulting in the sales of Rs. 640 lacs.

Technology Absorption

The Directors are in constant touch with ongoing research in the world to upgrade and absorb improved technology for better line of products and to yield better quality, cost reduction and worldwide acceptability of its range of products.

Foreign Exchange Earnings and Outgo

The Company has earned Rs. 157,849 lacs in foreign exchange by way of exports, dividend and commission and has spent Rs.108,069 lacs in foreign exchange, for the import of raw materials, machinery & consumables, foreign travel, repairs and maintenance. The Directors are making their best endeavors to earn foreign exchange.

Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 profits of the Company for that period.
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors had prepared the annual accounts on a 'Going Concern' basis.
- (v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively, and
- (vi) The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Risk Management Policy

The Company operates in conditions where economic, financial and other risks are inherent to its businesses. To overcome this and as per requirement of the applicable provisions of the Listing Regulations (erstwhile Listing Agreement entered into with the Stock Exchanges), Board has formed a Risk Management policy to regulate the plan for the key risks faced by the Company. The Company has developed a very comprehensive risk management policy under which all key risks are identified and controlled. The same is reviewed periodically by senior management and also by the Board.

Listing

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. The Company has paid listing fees for the year 2018-19.

Documents placed on the website

The following documents have been placed on the website: www.asianstargroup.com in compliance with the Act:

- 1) Code of Conduct for Board of Directors and Senior Management
- 2) Terms & Conditions of Appointment of Independent Directors
- 3) Familiarization Program for Independent Directors
- 4) Whistle Blower Policy
- 5) Policy on Related Party Transactions
- 6) Investors Contact
- 7) Nomination & Remuneration policy
- 8) Corporate Social Responsibility Policy
- 9) Composition of Board & Committees
- 10) Board Diversity Policy
- 11) Criteria for Making Payments to Non Executive Directors

- 12) Policy for Determination of Materiality of Events or Information
- 13) Policy for Determining Material Subsidiaries
- 14) Policy on Preservation of Documents and Archival Policy

Special Business:

As regard the items of the Notice of the Annual General Meeting relating to special business, the resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approval of members to those proposals.

Your attention is drawn to these items and Explanatory Statement annexed to the Notice.

Finance

The Company is availing working capital requirements from consortium of bankers.

Insurance

Properties and assets of the Company are adequately insured.

Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Disclosure as per Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2017-18, the Company has not received any complaint on sexual harassment.

Vigil Mechanism/Whistle Blower Policy

Your Company is committed to standards of ethical, moral and legal business conduct. The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Policy, as approved by the Board, is uploaded on the Company's website: www.asianstargroup.com

Fraud

No fraud has been reported during the year

Cautionary Statement

This report contains forward-looking statements which may be identified by their use of words like 'plans', 'expects' 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results, are forward - looking statements. Forward - looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized.

The company's actual results, performance or achievements could thus differ materially from those projected in any such forward - looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward - looking statements, on the basis of any subsequent developments, information or events.

Appreciation

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to shareholders, customers, vendors, bankers, business associates, regulatory and government authorities for their continued support.

Registered Office:

114-C, Mittal Court, Nariman Point,
Mumbai - 400 021.

Place : Mumbai
Dated : May 24, 2018

For and on behalf of the Board

Dinesh T. Shah
Chairman & CFO
DIN:00004685

ANNEXURE A TO DIRECTORS' REPORT

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 the Companies Act 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries for the year ended March 31, 2018 (Rs. in Lacs)

Particulars	Name of Subsidiary / Associate Company				
	Asian Star Jewels Private Limited	Asian Star Co. Ltd. (U.S.A.)	Asian Star Trading (Hong Kong) Limited	Asian Star DMCC	Shah Manufacturers
Issued & Subscribed Capital	100.00	178.75	57.40	12.01	-
Reserves	2,796.28	217.27	313.88	23,594.35	3,331.61*
Total Assets	8,732.52	6,316.63	16,228.18	31,007.49	3,602.34
Total Liabilities	8,732.52	6,316.63	16,228.18	31,007.49	3,602.34
Investments	-	-	-	-	-
Turnover	14,302.55	17,980.33	1,671.94	111,584.74	9,040.17
Profit/(Loss) before Tax	716.13	53.09	69.11	6,896.55	21.66
Provision for Tax	123.85	5.42	2.89	-	16.29
Profit/(Loss) After Tax	592.28	47.67	66.22	6,896.55	5.37
Proposed Dividend	-	-	-	-	-

* represents credit balance of the partners in the partnership firm.

** The above figures are after adjustments on account of IndAS

For and on behalf of the Board

Dinesh T. Shah
Chairman & CFO
DIN:00004685

Place : Mumbai
Dated : May 24, 2018

ANNEXURE B TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9

As on financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

CIN	L36910MH1995PLC086017
Registration Date	March 2, 1995
Name of the Company	Asian Star Company Limited
Category /Sub-Category of the Company	Company limited by shares /Indian Non Government Company
Address of the Registered office and contact details	114-C Mittal Court, Nariman Point, Mumbai- 400 021, Tel.: 022 62444111
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any.	Bigshare Services Pvt. Ltd ,E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400072 , Tel.: 022-40430200

II. Principal Business Activity of The Company:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Cut & polished diamonds and studded jewellery	3691	99.60%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name & Address of the Company	CIN	Holding/ Subsidiary /Associate	% of Shares	Applicable Section
A	Indian Subsidiary				
1	Asian Star Jewels Private Limited	U36911MH2008PTC188936	Subsidiary	100%	2(87)
B	Foreign Subsidiary				
1	Asian Star Co. Ltd (USA)	-	Subsidiary	100%	2(87)
2	Asian Star Trading (Hongkong) Ltd.	-	Subsidiary	100%	2(87)
3	Asian Star DMCC	-	Subsidiary	100%	2(87)
C	Associate Company				
1	Shah Manufactures	-	Associate Company	-	2(6)

IV. Share Holding Pattern (Equity Share Capital Break-up as Percentage of Total Equity)

i. Category-wise share holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	10800000	0	10800000	67.48	10800000	0	10800000	67.48	0.00
Sub-total(A)(1):	10800000	0	10800000	67.48	10800000	0	10800000	67.48	0.00
(2) Foreign									
Sub-total (A)(2):	1150000	0	1150000	7.18	1150000	0	1150000	7.18	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	11950000	0	11950000	74.66	11950000	0	11950000	74.66	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0	0.00
b) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0	0.00
c) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
e) Insurance Companies	714404	0	714404	4.46	713161	0	713161	4.45	(0.01)
f) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0	0.00
g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0	0.00
h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
i) Any Other (specify)	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B)(1):	714404	0	714404	4.46	713161	0	713161	4.46	(0.01)
(2) Non-Institutions									
a) Bodies Corporate	2614674	0	2614674	16.33	2614648	0	2614648	16.33	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	19477	2752	22229	0.14	20964	2452	23416	0.15	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)									
i) Clearing Member	16	0	16	0.00	19	0	19	0.00	0.00
ii) Non resident Indians	50209	0	50209	0.31	50050	0	50050	0.31	0.00
iii) Overseas Bodies Corporate	655356	0	655356	4.09	655356	0	655356	4.09	0.00
iv) IEPF	0	0	0	0.00	150	0	150	0.00	0.00
Sub-total(B)(2):	3339644	2752	3342396	20.88	3341187	2452	3343639	20.89	0.01
Total Public Shareholding (B)=(B)(1)+(B)(2)	4054048	2752	4056800	25.34	4054348	2452	4056800	25.34	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	16004048	2752	16006800	100.00	16004348	2452	16006800	100.00	0.00

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Vipul P. Shah	4000050	24.99	0.00	4000050	24.99	0.00	0.00
2	Mrs. Nirmala D. Shah	1800000	11.25	0.00	1800000	11.25	0.00	0.00
3	Mr. Arvind T. Shah	1584450	9.90	0.00	1584450	9.90	0.00	0.00
4	Mr. Priyanshu A. Shah	1215450	7.59	0.00	1215450	7.59	0.00	0.00
5	Mrs. Rasila A. Shah	1200000	7.50	0.00	1200000	7.50	0.00	0.00
6	Mr. Dharmesh D. Shah	1150000	7.18	0.00	1150000	7.18	0.00	0.00
7	Mr. Dinesh T. Shah	1000050	6.25	0.00	1000050	6.25	0.00	0.00
Total		11950000	74.66	0.00	11950000	74.66	0.00	0.00

iii. Change in Promoter's Shareholding (please specify, if there is no change):

Sr. No.	Shareholder's name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	11950000	74.66	11950000	74.66
2	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
3	At the end of the year	11950000	74.66	11950000	74.66

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRS and ADRS):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [01.04.2017]		Date	Reason	Increase (Decrease) in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Flora Impex Private Limited	784113	4.90	01.04.2017	At the beginning of the year	-	-	784113	4.90
				31.03.2018	At the end of the year	-	-	784113	4.90
2	Nishant Impex Private Limited	768790	4.80	01.04.2017	At the beginning of the year	-	-	768790	4.80
				31.03.2018	At the end of the year	-	-	768790	4.80
3	United India Insurance Company Limited	714404	4.46	01.04.2017	At the beginning of the year	-	-	714404	4.46
				10.11.2017	Sell of shares	(765)	(0.01)	713639	4.45
				1.12.2017	Sell of shares	(2)	0.00	713637	4.45
				09.02.2018	Sell of shares	(390)	0.00	713247	4.45
				16.02.2018	Sell of shares	(86)	0.00	713161	4.45
31.03.2018	At the end of the year	-	-	713161	4.45				
4	Rahil Impex Private Limited	692502	4.32	01.04.2017	At the beginning of the year	-	-	692502	4.32
				07.04.2017	Buy of shares	43	-	692095	4.32
				31.03.2018	At the end of the year	-	-	692095	4.32
5	Liston Investments Limited	605850	3.78	01.04.2017	At the beginning of the year	-	-	605850	3.78
				31.03.2018	At the end of the year	-	-	605850	3.78
6	Shloka Traders Private Limited	368898	2.30	01.04.2017	At the beginning of the year	-	-	368898	2.30
				31.03.2018	At the end of the year	-	-	368898	2.30
7	Nimesh Piyush Mehta	50000	0.31	01.04.2017	At the beginning of the year	-	-	50000	0.31
				31.03.2018	At the end of the year	-	-	50000	0.31
8	Twinkle Star Investments Limited	49506	0.31	01.04.2017	At the beginning of the year	-	-	49506	0.31
				31.03.2018	At the end of the year	-	-	49506	0.31
9	Surekha Vasantlal Shah	1500	0.01	01.04.2017	At the beginning of the year	-	-	1500	0.01
				31.03.2018	At the end of the year	-	-	1500	0.01
10	Shiv Kumar Goel	1417	0.01	01.04.2017	At the beginning of the year	-	-	1417	0.01
				08.09.2017	Sell of shares	(5)	0.00	1412	0.01
				15.09.2017	Sell of shares	(5)	0.00	1407	0.01
				21.09.2017	Buy of shares	2	0.00	1409	0.01
				28.09.2017	Sell of shares	(2)	0.00	1407	0.01
				06.10.2017	Sell of shares	(3)	0.00	1404	0.01
				13.10.2017	Sell of shares	(1)	0.00	1403	0.01
				17.11.2017	Sell of shares	(1)	0.00	1402	0.01
				24.11.2017	Sell of shares	(101)	0.00	1301	0.01
				01.12.2017	Buy of shares	2	0.00	1303	0.01
				08.12.2017	Sell of shares	(30)	0.00	1273	0.01
				15.12.2017	Buy of shares	1	0.00	1274	0.01
				22.12.2017	Sell of shares	(113)	0.00	1161	0.01
				29.12.2017	Sell of shares	(3)	0.00	1158	0.01
				12.01.2018	Sell of shares	(9)	0.00	1149	0.01
				19.01.2018	Buy of shares	1	0.00	1150	0.01
				02.02.2018	Buy of shares	2	0.00	1152	0.01
09.02.2018	Sell of shares	(349)	0.00	803	0.01				
09.03.2018	Buy of shares	1	0.00	804	0.01				
31.03.2018	At the end of the year	-	-	804	0.01				

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr. Vipul P. Shah, CEO & Managing Director				
	At the beginning of the year	4000050	24.99	4000050	24.99
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	4000050	24.99	4000050	24.99
2	Mr. Dinesh T. Shah, Chairman & CFO				
	At the beginning of the year	1000050	6.25	1000050	6.25
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1000050	6.25	1000050	6.25
3	Mr. Dharmesh D. Shah, Director				
	At the beginning of the year	1150000	7.18	1150000	7.18
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1150000	7.18	1150000	7.18
4	Mr. Arvind T. Shah, Executive Director				
	At the beginning of the year	1584450	9.90	1584450	9.90
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1584450	9.90	1584450	9.90
5	Mr. Priyanshu A. Shah, Executive Director				
	At the beginning of the year	1215450	7.59	1215450	7.59
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	1215450	7.59	1215450	7.59
6	Mr. Rahil V. Shah, Executive Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0
7	Ms. Aparna R. Shinde, Company Secretary				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0

Independent Directors did not hold any share of the Company during financial year 2017-18

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

Sr. No.	Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i.	Principal Amount	71,446.10	6,461.80	-	77,907.90
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	20.04	-	-	20.04
	Total (i+ii+iii)	71,466.14	6,461.80	-	77,927.94
Change in Indebtedness during the financial year					
	Addition	-	2,297.86	-	2,297.86
	Reduction	(3,804.99)	-	-	(3,804.99)
	Net Change	(3,804.99)	2,297.86	-	(1,507.13)
Indebtedness at the end of the financial year					
i.	Principal Amount	67,630.80	8,759.66	-	76,390.46
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	30.35	-	-	30.35
	Total (i+ii+iii)	67,661.15	8,759.66	-	76,420.81

VI. Remuneration to Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Designation & Name				Total Amount
		CEO & MD Mr. Vipul P. Shah	Executive Director Mr. Arvind T. Shah	Executive Director Mr. Priyanshu A. Shah	Executive Director Mr. Rahil V. Shah	
1	Gross salary					
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	175.00	125.00	100.00	75.00	475.00
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	175.00	125.00	100.00	75.00	475.00
	Ceiling as per the Act					567.74

B. Remuneration to other directors:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors	1.32	-	-	1.32
	Total (1)	1.32	-	-	1.32
2	Other Non Executive Directors	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	1.32
Total Managerial Remuneration (A+B)					476.32
Ceiling as per the Act					567.74

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	125.00	7.07	132.07
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	125.00	7.07	132.07

VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Act	Brief Description	Details of Penalty / Punishment / Compounding fees	Authority (RD/ NCLT / Court)	Appeals made if any (give details)
A. Company Penalty Punishment Compounding			None		
B. Directors Penalty Punishment Compounding			None		
C. Other officers in default Penalty Punishment Compounding			None		

*During the year some of the Directors were disqualified from being appointed as a director in terms of Section 164(2) of the Act due to non compliance of annual filing requirement in a private limited Company where they were directors and their Director Identification numbers (DIN) were deactivated. The DIN of all those Directors has been reactivated by the Ministry of Corporate Affairs after complying the necessary provisions of the Act.

For and on behalf of the Board

Dinesh T. Shah
Chairman & CFO
DIN:00004685

Place : Mumbai
Dated : May 24, 2018

ANNEXURE C TO DIRECTORS' REPORT**Corporate Social Responsibility**

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover our business, but also that of the communities around us. Our Corporate Social Responsibility (CSR), thus, is not limited to philanthropy, but also includes large initiatives that lead to social development, institution building, other innovative means.

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:
Companies CSR policy is available on: www.asianstargroup.com
2. The Composition of the CSR Committee:
 - Mr. Arvind T. Shah (Chairman)
 - Mr. Dinesh T. Shah (Member)
 - Mr. Milind Gandhi (Member)
3. Average net profit of the company for last three financial years:
The average net profits for the last three financial years is - Rs. 5996.16 lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):
The Company is required to spend Rs. 119.92 lacs towards CSR for the financial year 2017-18
5. Details of CSR spent during the financial year :

(Rs. in Lacs)

Financial year	Amount required to be spent (two per cent amount of the average net profit of the company for last three financial years)	Amount actually Spent in respective financial year	Unspent amount	Current status of unspent amount
2015-16	110.14	34.00	76.14	Company spent Rs. 76.14 Lacs in the financial year 2016-17
2016-17	115.53	27.65	87.88	Company is in process of spending the unspent amount.
2017-18	119.93	60.19	59.73	Company is in process of spending the unspent amount.

Manner in which the amount spent during the financial year is detailed below:

(Rs. in Lacs)

Sr. No.	CSR project or activity identified	Sector in which projects are covered	Location where project is undertaken: State (Local Area/ District)	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: 1) Direct expenditure on projects 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agencies
1	Provision of Educational material	Education	Mangaon (Maharashtra)	2.00		2.00	Through implementing Agencies
2	Provision of Educational material	Education	Mumbai, (Maharashtra)	1.08		1.08	
2	Promoting education for differently abled	Education	Mumbai, (Maharashtra)	1.00		1.00	
3	Mid day meals to children	Eradicating hunger & malnutrition	Mumbai (Maharashtra)	0.50		0.50	
4	Flood Relief		Mumbai (Maharashtra)	0.36		0.36	
5	Educational Infrastructural development	Promoting education facilities for rural children	Palanpur (Gujarat)	4.00		4.00	
6	Early intervention and early simulation by identifying disability in small children	Promoting preventive healthcare	Karkala (Mangalore)	2.00		2.00	
7	Sos Childrens Villages Of India		Mumbai (Maharashtra)	0.25		0.25	
8	Cancer treatment		Mumbai (Maharashtra)	0.50		0.50	
9	Education of poor in tribal area	Promoting education facilities for tribal children	Mumbai (Maharashtra)	20.00		20.00	
10	Health and education for rural project	Health & Education		3.50		3.50	
11	Social Business Project	Rural development projects	Mumbai (Maharashtra)	5.00		5.00	
12	Social Business Project	Rural development projects	Bhavnagar (Gujarat)	20.00		20.00	
		TOTAL		60.19		60.19	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Asian Star considers social responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of society. Asian Star CSR initiatives are on the focus areas approved by the Board benefitting the community. The Company is in the process of identifying the right charitable institutes to be associated with which has vis-a-vis same purpose as that of company CSR Policy. Due to non availability of viable projects during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavour to spend the complete amount on CSR activities in accordance with the statutory requirements.

For the unspent amount the Company is in process of identification of new projects for contributing on social welfare and is confident that it will be able to report 100% compliance with the laid down requirements in future.

- 7 The Chairman of CSR committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of the Board

Dinesh T. Shah
Chairman & CFO
DIN:00004685

Arvind T. Shah
Chairman
CSR Committee
DIN:00004720

Place : Mumbai
Dated : May 24, 2018

ANNEXURE D TO THE DIRECTORS' REPORT**Statement of Disclosure of Remuneration under section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18:

Sr. No	Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Vipul P. Shah	CEO & Managing Director	84.14	NIL
2	Arvind T. Shah	Executive Director	60.1	NIL
3	Priyanshu A. Shah	Executive Director	48.1	NIL
4	Rahil V. Shah	Executive Director	36.05	NIL

- B) There is No increase in remuneration of Chief Financial Officer, No increase in remuneration of Chief Executive Officer & 15.341 % increase in remuneration of Company Secretary during the year under review.

- C) The percentage increase in the median remuneration of employees in the financial year: 4.64%

- D) The number of permanent employees on the rolls of the Company: 995** Employees as on March 31, 2018.

- E) Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 37.21% whereas there is NO increase in the managerial remuneration.

The increase in remuneration depends on potential of individual employee, experience, performance and overall performance of the Company.

- F) The Company Affirms remuneration is as per the remuneration policy of the Company.

Note:-

- * The Independent Directors of the Company are entitled for sitting fee as per the statutory provisions and are within the limits. The details of remuneration of independent directors are provided in the Corporate Governance Report.

- ** Includes employees working for Asian Star Company Limited at all locations in India.

For and on behalf of the Board

Dinesh T. Shah
Chairman & CFO
DIN:00004685

Place : Mumbai
Dated : May 24, 2018

ANNEXURE E TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Asian Star Company Limited,
114-C, Mittal Court, Nariman Point,
Mumbai -400 021.

Dear Sirs,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asian Star Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable to the Company during the Audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

- (g) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);

I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with Standards of Weights and Measures Act, 1976 and rules made there under applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc subject to the following observations.

1. The Company has complied with the provisions of section 135 of the Companies Act, 2013 pertaining to corporate social responsibility except section 135(5) relating to the spending of at least 2% of average net profits of the Company made during the three immediately preceding financial years in pursuant of company's CSR policy.
2. The Company has granted loans, unconditional and interest free to its Wholly Owned Subsidiary Company.
3. During the year Three directors were disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act due to non compliance of annual filing requirement in a private limited Company where they were directors and their Director identification numbers (DIN) were deactivated. On the basis of the information provided to us, we state that the DIN of three Directors has been reactivated by the Ministry of Corporate Affairs after complying the necessary provisions of the Act.
4. The Company has not filed certain forms relating to the Investor Education and Protection Fund as prescribed under Section 125 of The Companies Act, 2013.

I further report that the Board of Directors of the Company is duly constituted however there was no proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were generally carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decision in the board meetings and committee meetings are carried out either unanimously or majority as recorded in the minutes of the meeting of Board of Directors or committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has not undertaken any specific events / actions that can have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as follows

- 1) Securities and Exchange Board of India (SEBI) approved Asian Star Company Limited's acquisition of 5% Equity Shares in Indian Commodity Exchange Limited.
- 2) The Scheme of Merger by Absorption (the "Scheme") for merger of Asian Star Jewels Private Limited, wholly owned subsidiary into Asian Star Company Limited has been filed with the National Company Law Tribunal, Mumbai Bench ("NCLT") for approval.

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

For Yogesh D Dabholkar & Co.,
Practicing Company Secretaries

Yogesh D Dabholkar
Proprietor
FCS No: 6336. COP No: 6752

Place : Dombivli
Date : May 24, 2018

ANNEXURE 1

To,
The Members,
Asian Star Company Limited,
114 C, Mittal Court,
Nariman Point, Mumbai - 400 021

My report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believed that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Yogesh D Dabholkar & Co.,
Practicing Company Secretaries

Yogesh D Dabholkar
Proprietor
FCS No: 6336. COP No: 6752.

Place : Dombivli
Date : May 24, 2018

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REPORT ON CORPORATE GOVERNANCE



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-2018

I Company's Philosophy

Your Company firmly believes that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to prosper. It is essentially a system by which Companies are directed and controlled by the management in the best interest of all stakeholders.

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion. Your Company believes that good corporate governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the Company and help the Company achieve its goal of maximizing value for all its shareholders.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

II Board of Directors

1) Composition

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

Board of Directors, as on 31.03.2018 is comprised of total 12 directors. The Company has a Promoter Executive Chairman and 6 Independent Directors i.e. half of the total number of Directors on its Board. Composition of the Board of Directors includes 5 Executive Directors and 7 Non-Executive Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking, law and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors. The Board has agreed that Executive Directors of the Company are responsible for the day to day affairs of the Company.

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The notice, agenda and the relevant notes are sent in advance to each Director.

The Board's role, functions responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, sale of business unit/division, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

The minutes of the Board meetings are circulated in advance and confirmed at subsequent meetings. The Minutes of the Audit Committee and other Committees of the Board & subsidiaries are regularly placed before the Board.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 (hence forth refer to as 'the act') and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors in terms of the provisions of section 149 of the Act. The terms and conditions of their appointment are disclosed on the Company's website.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26 (1) of the Listing Regulations) across all the Companies in which he/she is a Director. None of the Directors hold office in more than 20 companies and in more than 10 public companies.

During the year 2017-18, the Board of Directors met 4 times (24.05.2017, 10.08.2017, 10.11.2017, 06.02.2018) with clearly defined agenda of the meetings sent in advance with suitable notes to the Directors.

The Board periodically reviews compliance reports of all laws applicable to the company. Steps are taken by the Company to rectify instances of non-compliance, if any.

During the year 2017-18, the Company did not have any material pecuniary relationship or transaction with any Non-executive Director.

Category and Attendance of Directors

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in public limited Companies are given below:

Name	DIN	Category	Board Meetings attended	Last AGM attendance	No. of outside directorship held in public companies	No. of Board Committee of which he/she is a member	No. of Board Committee of which he/she is a Chairman
					Other than Asian Star Company Limited		
Dinesh T. Shah	00004685	Promoter Executive Chairman	2	Yes	-	-	-
Arvind T. Shah	00004720	Promoter Executive Director	2	Yes	-	-	-
Dharmesh D. Shah	00004704	Promoter Non Executive Director	1	No	-	-	-
Vipul P. Shah	00004746	Promoter Executive Director	3	Yes	-	-	-
Priyanshu A. Shah	00004759	Promoter Executive Director	1	No	-	-	-
Rahil V. Shah	06811700	Executive Director	3	No	-	-	-
K. Mohanram Pai	00007198	Independent - Non Executive Director	4	Yes	1	-	3
Apurva R. Shah	00004781	Independent - Non Executive Director	4	Yes	3	3	1
Hasmukh B. Gandhi*	00009153	Independent - Non Executive Director	1	No	2	-	-
Milind H. Gandhi	01658439	Independent - Non Executive Director	4	Yes	1	-	-
Anand H. Gandhi	01668879	Independent - Non Executive Director	1	Yes	-	-	-
Miyar R. Nayak	03352749	Independent - Non Executive Director	4	Yes	1	1	-
Neha Rajen Gada	01642373	Independent - Non Executive Director	2	No	1	1	-

* Committee includes position of membership/chairmanship in Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of Companies other than Asian Star Company Limited.

* Mr. Hasumukh B. Gandhi (DIN: - 00009153), Independent - Non Executive Director, ceased to be director of the Company due to his sad demise on May 24, 2017.

2) Independent Non Executive Directors are paid sitting fees for attending the Board Meetings or Committee Meetings. Non-Executive Directors are not paid any commission.

3) Code of Conduct

The Company has adopted the framed Code of Conduct for all employees, Senior Management Personnel of the Company, including the Managing Director. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Act. Both the Codes are posted on the Company's website. All Board members and senior management personnel (as per Regulation 26 (3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the CEO & Managing Director forms part of this report.

4) Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on March 28, 2018, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

5) Board and Director Evaluation and criteria for evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning. Criteria for board evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, performance of the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the CEO & Managing Director. Criteria for evaluation of performance of the Committees of the Board include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

6) Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities in the Company etc., through various programmes. The Familiarisation programme for Independent Directors is disclosed on the Company's website (www.asianstargroup.com) under Corporate Governance segment.

III) COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review. The Board has currently established the following statutory and non-statutory Committees:

1) Audit Committee

The Board of your Company has constituted a very qualified Audit Committee in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act which promotes relationship of accountability between the Board, Management and Statutory Auditors. The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions.

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the board on the adequacy of the internal control systems and financial disclosures. The terms of reference of the Audit Committee are broadly as follows:

- To review compliance with internal control systems
- To review the findings of internal auditor relating to various functions of the company
- To recommend to the Board, the appointment, reappointment and if required, the replacement or removal of the Statutory auditors and the fixation of audit fees;
- To review quarterly, half yearly and annual financial statements before submission to the Board for approval

- e) To review performance of the statutory and internal auditors, adequacy of the internal control systems;
- f) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- g) Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection 3 of Section 134 of the Act.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Qualifications in the draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions
- h) Carrying out any other functions as specified in the terms of reference, as amended from time to time.

In fulfilling the above role, the audit committee has powers to investigate any activity within its terms of reference.

The composition of the Committee and the attendance of each member of the Committee are given below:

Name	Designation	Category	Committee Meetings Attendance
K. Mohanram Pai	Chairman	Independent Director, Non-Executive	4
Apurva R. Shah	Member	Independent Director, Non-Executive	4
Arvind T. Shah	Member	Executive Director	2

During the year 2017-18, the Audit Committee met 4 times (24.05.2017, 10.08.2017, 10.11.2017, 06.02.2018) with clearly defined agenda of the meetings.

The previous Annual General Meeting of the Company which was held on September 28, 2017 was attended by Chairman of the Audit Committee.

Internal Audit & Controls

During the year, the Company continued to implement suggestions and recommendations of Internal Auditor. The scope of work of the Internal Auditor of the Company includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Company policies, guidelines and procedures provide for adequate checks and are meant to ensure that all transactions are authorised, recorded and reported correctly.

2) Nomination & Remuneration Committee

The composition of the Committee and the attendance of each member of the Committee are given below

Name	Designation	Category	Committee Meetings Attendance
Hasmukh B. Gandhi*	Chairman	Independent Director, Non-Executive	1
Mr. Milind H. Gandhi**	Chairman	Independent Director, Non-Executive	3
Miyar Ramanath Nayak***	Member	Independent Director, Non-Executive	2
Apurva R. Shah	Member	Independent Director, Non-Executive	3

During the year 2017-18, the Nomination & Remuneration Committee met 3 times (24.05.2017, 10.08.2017, 06.02.2018) with clearly defined agenda of the meetings. Your Company has framed policy on Nomination & Remuneration; the same is displayed on the website of the Company (www.asianstargroup.com) under Corporate Governance segment.

* Mr. Hasmukh B. Gandhi (DIN: - 00009153), Independent - Non Executive Director, ceased to be director of the Company due to his sad demise on May 24, 2017.

** Mr. Milind H. Gandhi (DIN: - 01658439), Independent - Non Executive Director, appointed as Chairman of the Committee on August 10, 2017.

*** Mr. Miyar R. Nayak (DIN: - 03352749), Independent - Non Executive Director, appointed as a member of the committee on August 10, 2017.

Payment of remuneration to all the Executive Directors is recommended by the Nomination & Remuneration Committee reviewing the abilities and contribution of the individual Directors. Non-Executive Directors were paid sitting fees within the limits prescribed under the Act. None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

The details of actual payments made during the financial year 2017-18 to the Executive Directors of the Company are given below:

Name	Designation	Gross Salary (Rs. In lacs)
Dinesh T. Shah	Executive Chairman & CFO	125.00
Vipul P. Shah	CEO & Managing Director	175.00
Arvind T. Shah	Executive Director	125.00
Priyanshu A. Shah	Executive Director	100.00
Rahil V Shah	Executive Director	75.00

3) Stakeholders Relationship Committee

The committee reviews redressing of shareholders complaints like non-receipt of Balance Sheet, non-receipt of declared dividend etc. The committee also reviews the functioning & activities of Registrar & Transfer Agent & related investor grievances. The following are the committee members:

Name	Designation	Committee Meetings Attendance
K. Mohanram Pai	Chairman	2
Apurva R. Shah	Non Executive Director	2
Arvind T. Shah	Executive Director	1

The Company Secretary acts as Secretary to the Committee.

The Secretarial Department of the company and Share Transfer Agent, Bigshare Services Pvt. Ltd. attend to all grievances of all the shareholders and investors received directly or through SEBI, Stock Exchanges, and Ministry of Corporate Affairs etc.

The Company obtained & filed with BSE, Reconciliation of Share Capital Audit Report from a Practicing Company Secretary as required under SEBI for each quarter as to reconciliation of total shares held in depository & physical form

No. of queries/complaints	Received	Redressed	Unresolved
Letters from shareholders	0	0	0

During the year 2017-18, the stakeholders Relationship committee met 2 times (24.05.2017 and 10.11.2017) with clearly defined agenda of the meetings.

Company Secretary and Address for Correspondence

Name & Designation	Telephone Number	Email - id	Fax No.
Aparna Shinde Company Secretary	+91 22 6244 4111	secretarial@asianstargroup.com	+91 22 2204 3747

4) Corporate Governance Committee

The following are the committee members:

Name	Designation
Miyar R. Nayak	Chairman
K. Mohanram Pai	Non Executive Director
Arvind T. Shah	Executive Director

The Committee looks after the due compliance with the Corporate Governance norms. All Board members and the members of Senior Management Personnel have complied with the Code of Conduct for Board of Directors and Prevention of Insider Trading Code. The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of corporate governance as stipulated in the Listing Regulations and the same has been annexed to Directors' Report.

Mr. Hasmukh B. Gandhi (DIN: - 00009153), Independent - Non Executive Director, ceased to be Chairman of the Committee due to his sad demise on May 24, 2017.

** Mr. Miyar R. Nayak (DIN: - 003352749), Independent - Non Executive Director appointed as a Chairman and member of the Committee w.e.f August 10, 2017.

5) Finance Committee

This committee meets regularly to decide on matters pertaining to banking, finance, investments and working capital requirements. Composition of the Committee remains unchanged. The following are the committee members:

Name	Designation
Dinesh T. Shah	Chairman
Vipul P. Shah	Executive Director
Arvind T. Shah	Executive Director
Priyanshu A. Shah	Executive Director
Rahil V Shah	Executive Director

6) Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Act.

The Committee has been constituted with the following terms of reference:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount to be spent on the CSR activities and monitor the same.
- Review the Company's CSR Policy periodically.
- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company (www.asianstargroup.com) under Corporate Governance segment. The Report on CSR activities for the year 2017-18 forms a part of the Directors' Report.

Composition and Attendance during the year

The composition of the CSR Committee and the details of the Meetings attended by the Directors during the year are given below:

Name	Designation	Category	Committee Meetings Attendance
Arvind T. Shah	Executive Director	Chairman	2
Dinesh T. Shah	Chairman & CFO	Member	2
Milind Gandhi	Independent Director	Member	1

The Committee met two times during the year, on 10.08.2017, 30.03.2018

IV General Body Meetings

i) Annual General Meeting to be held on:

Date: September 25, 2018

Time: 4.00 p.m.

Venue: Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next to Indian Oil Petrol Pump, Mumbai - 400002

Book Closure Date: September 19, 2018 to September 25, 2018 (Both the days inclusive)

Dividend Date: If approved at Annual General Meeting will be paid on or after September 30, 2018

ii) Details on Annual General Meetings (AGM) :Location and time, where last three AGMs were held:

Year	Venue	Date	Time
2014-15	Sangam Hall, Mumbai	September 09, 2015	4.00 pm
2015-16	Sangam Hall, Mumbai	September 27, 2016	4.00 pm
2016-17	Sangam Hall, Mumbai	September 28, 2017	4.00 pm

All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders.

- iii) One Court Convened Extra-ordinary General Meeting of the shareholders was held on March 12, 2018 as per the directions of the Hon'ble Mumbai Bench of National Company Law Tribunal in the matter of the Scheme of Merger of Asian Star Jewels Private Limited (Wholly Owned Subsidiary Company) with our Company.
- iv) Postal Ballot: A resolution was passed through postal ballot under Section 230 read with Section 232 of the Act, for approval of the Merger by Absorption embodied in the Scheme of Amalgamation of Asian Star Jewels Private Limited ('Transferor Company') with Asian Star Company Limited ('Transferee Company' or 'the Applicant Company') and their Respective Shareholders ('Scheme' or 'the Scheme').

V Disclosures

- i) All Related Party Transactions which were entered into during the Financial Year were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or any related party which may have potential conflict with the interest of the Company at large.
- ii) The audit committee granted omnibus approval for certain transactions to be entered into with the related parties, during the year.
- iii) The particulars of contracts or arrangement with the related parties as required under Section 134(3)(h) are disclosed in Notes forming part of the financial statements in the Annual Report and the same are not in conflict with the interest of the Company.
- iv) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website.
- v) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the BSE Limited or SEBI or any statutory authority, on any matter related to capital markets, during the last three years? – None
- vi) The Company has formulated a mechanism for employees to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. During the year under review, no such report was received. The Company Secretary and Audit Committee acts upon any reporting under Whistle Blower Policy.
- vii) Subsidiary Monitoring Framework
 - The Company has no material unlisted subsidiaries in India. The Audit Committee of the Company reviews the financial statements of the subsidiaries and the minutes of the Board meetings of these subsidiaries are also periodically placed at the Board meeting of the Company.
- viii) Certificate on Corporate Governance- Annexed herewith.
- ix) Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares)
 - The Company does not have any shares in the demat suspense account or unclaimed suspense account.
- x) The Company has transferred 150 Equity shares in the 'Investor Education and Protection Fund (IEPF) Demat Account' as per the requirements under Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended.
- xi) Compliance Report on Non-mandatory requirements under Regulation 27(1)
 - The Company has complied with all the mandatory requirements of the Corporate Governance as prescribed in Listing Regulation. Adoption of non-mandatory requirements of Listing Regulation is being reviewed by the Board from time-to-time.

VI Means of Communication

The Company publishes its quarterly, half yearly financial results in national and regional news papers. The Company also sends financial results to Stock Exchange immediately after its approval by the Board in terms of the requirements of the Listing Regulations. The results of the Company are also posted on the Company's website: www.asianstargroup.com.

VII Green Initiative in Corporate Governance

Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode. The move of the Ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme, the electronic copies of the Annual Report 2017-18 and Notice of 24th Annual General Meeting of the Company are sent to all members whose email addresses are registered with the Company/ Depository

Participant(s). For members who have not registered their email address, physical copies of the Annual Report along with notice of Annual General Meeting for 2017-18 is being sent in the permitted mode.

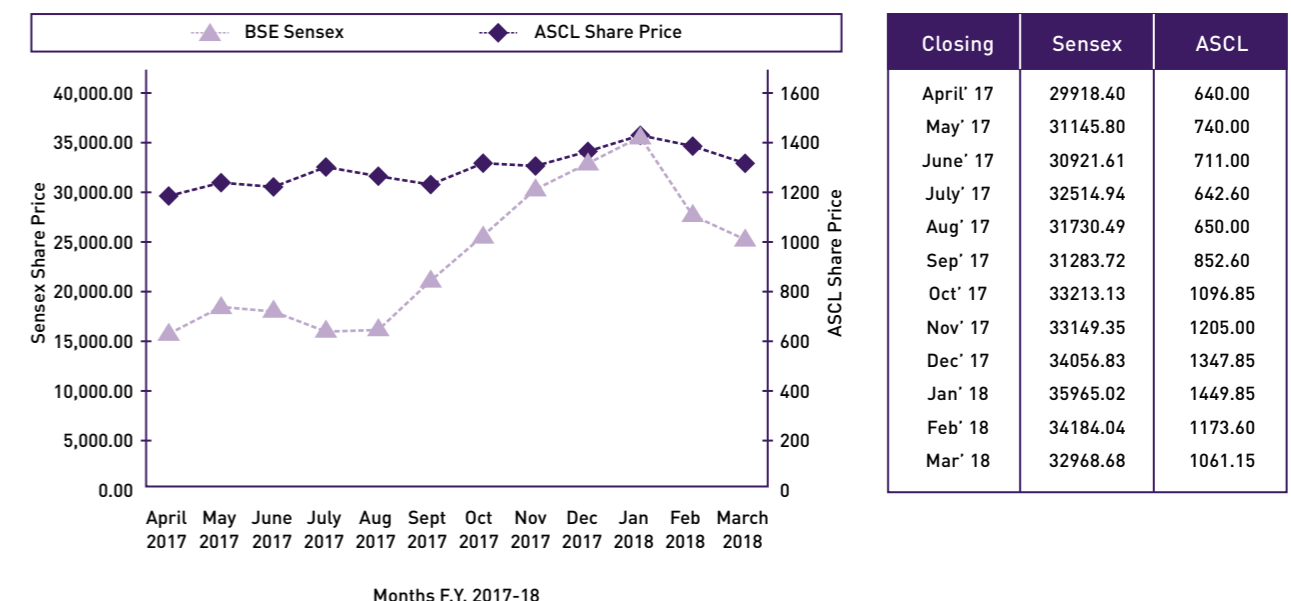
To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill in the Registration form which can be obtained from Company's Registrar - Bigshare Services Pvt. Ltd.

VIII General Shareholder Information

Sr.no	Information
1	Annual General Meeting Date and Time Venue September 25, 2018 at 4.00 p.m. Sangam Hall, Agarwal Bhavan, 100-C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai-400 002.
2	Financial Calendar (Tentative Schedule) - First quarter - Second quarter/Half year - Third quarter - Audited Annual Results Second week of July, 2018 Second week of October, 2018 Second week of January, 2019 Second week of May, 2019
3	Book Closure Date September 19, 2018 to September 25, 2018 (Both the days inclusive)
4	Dividend Payment Date Dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within prescribed time, subject to deduction of tax, if any.
5	Listing on Stock Exchange at BSE Limited (Exchange Code: 531847) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 023
6	ISIN number for NSDL & CDSL INE194D01017
7	CIN No. L36910MH1995PLC086017

IX Month wise Stock Market Data relating to equity shares of the Company

Performance of equity shares of the Company on BSE in comparison to BSE SENSEX



Month wise data for Equity shares of the Company at BSE

Month	Price during each month		Month	Price during each month	
	High	Low		High	Low
April' 17	699.00	640.00	October' 17	1,096.85	810.00
May' 17	740.00	646.00	November' 17	1,356.00	1,014.60
June' 17	750.00	700.00	December' 17	1,373.00	1,120.00
July' 17	681.00	630.00	January' 18	1,490.00	1,239.95
August' 17	680.00	589.00	February' 18	1,614.20	1,162.80
September' 17	852.60	680.00	March' 18	1,286.25	1,061.15

X Registrar & Share Transfer Agents

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Indl. Estate, Saki Vihar Road,
Saki Naka, Andheri (East), Mumbai 400 072.
E-mail: info@bigshareonline.com Tel : 4043 0200 Fax : 2847 5207

XI Share Transfer System:

For transfer of shares in physical form, the transfer documents can be lodged with Registrars & Share Transfer Agents of the Company, Bigshare Services Pvt. Ltd. at the address mentioned above. Transfer of shares in physical form is normally processed within 15 days from the date of receipt, if the documents are complete in all respect.

XII Distribution of equity shareholding as on March 31, 2018

No. of Shares	No. of Share Holders	% of Total Share Holders	No. of Shares	% of Total Shares
1 - 500	462	94.28	14814	0.09
501 - 1,000	9	1.84	5848	0.04
1,001-2,000	3	0.61	3725	0.02
2,001-3,000	-	-	-	-
3,001-4,000	-	-	-	-
4,001-5,000	-	-	-	-
5,001-10,000	-	-	-	-
10,001 & above	16	3.27	1,59,82,413	99.85
Total	490	100.00	16,006,800	100.00

Note: The details given above are as per BENPOS received from Bigshare Services Private Limited, Registrar and Share Transfer Agent dated March 31, 2018

XIII Categories of equity shareholding as on March 31, 2018

Category	No of shares held	% of total shares held
Promoters	11,950,000	74.66
Body Corporates	26,14,648	16.33
Indian Public	23416	0.15
NRI & OCB's	705406	4.41
FII's	-	-
Clearing Member	19	0.00
Insurance Companies	713161	4.46
Central Government/ State Government(s)/ President of India	150	0.00
Total	16,006,800	100.00

XIV Dematerialisation of Shares and Liquidity

In terms of the Listing Agreement the Company has tripartite agreements with the Registrar and Share Transfer Agent i.e. Bigshare Services Private Limited, National Securities Depository Limited and Central Depository Services (India) Limited respectively.

16,004,348 equity shares i.e. 99.98 % of equity shares have been dematerialized up to March 31, 2018.

XV Manufacturing Facilities

Cut & Polished Diamonds	Diamond	Studded Jewellery	Wind Energy
F.P. no. 138 / 151, Plot no.1, Near Sandesh Paper Press, Purushottam Ginning Mill Compound, A. K. Road, Surat, Gujarat - 395 008.	Plot No.5, F-11/12, WICEL, Opp. SEEPZ, MIDC (Marol), Central Road, Andheri (East), Mumbai - 400 093.	Plot No. 21, New SIDCO Industrial Estate, Srinagar, Hosur, Tamil Nadu - 635 109	Sangli, Maharashtra, Dindigul and Coimbatore, Tamil Nadu Palakkad, Kerala

XVI Members can contact us at our registered office:

Asian Star Company Limited
114-C, Mittal Court,
Nariman Point, Mumbai 400 021.
Email: secretarial@asianstargroup.com
Tel.: +91 22 6244 4111
Fax: +91 22 2204 3747

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To,
The Members of Asian Star Company Limited

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Business Conduct for the year ended March 31, 2018.

For Asian Star Company Limited

Dinesh T. Shah
Chairman & CFO
DIN: 00004685

Place : Mumbai
Date : May 24, 2018

CEO AND CFO CERTIFICATION

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Vipul P. Shah, CEO & Managing Director and Dinesh T. Shah, Chairman & CFO of Asian Star Company Limited, do hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2018 and that to the best of our knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
- I. Significant changes, if any, in internal control over financial reporting during the year;
 - II. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Vipul P. Shah
CEO & Managing Director
DIN: 00004746
Place : Mumbai
Date : June 8, 2018

Dinesh T. Shah
Chairman & CFO
DIN: 00004685
Place : Mumbai
Date : June 8, 2018

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**To The Members,
Asian Star Company Limited,**

We have examined the compliance of the conditions of Corporate Governance by Asian Star Company Limited (Company) for the year ended on March 31, 2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation of 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015).

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 except no proper balance of the Executive Directors, Non-Executive Directors and Independent Directors due to disqualification of some of the Directors.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mahendra Doshi & Associates
Chartered Accountants
FR No: 105765W

Mahendra Doshi
Proprietor
Membership No. 41316

Place : Mumbai
Date : May 24, 2018

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To,

The Members of Asian Star Company Limited,

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **ASIAN STAR COMPANY LIMITED** ("The Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit/loss its cash flows and the statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt with by this report are in agreement with the books of Account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, three directors were disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act, due to non compliance of annual filing requirements in a private limited Company where they hold directorship. However, at present they are qualified to be appointed as directors.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For Mahendra Doshi & Associates
Chartered Accountants
FR No: 105765W

Mahendra Doshi
Proprietor
Membership No. 41316

Place : Mumbai
Date : May 24, 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Re: Asian Star Company Limited

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, all the assets have been physically verified by the Management at the end of the accounting year and no material discrepancies were noticed on physical verification as compared to the book records.
- c. The title deeds of the immovable properties are in the name of the Company.
2. a. The stocks of finished goods and raw-materials have been physically verified by the management at the end of the accounting year. In our opinion the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification as compared to the book records.
3. a. The Company has granted loans, unconditional and interest free, to a company covered in the register maintained under section 189 of the Act.
- b. The principal amounts are repayable on demand and there is no repayment schedule. In view of this sub clause (b) and (c) of this clause is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction, which attract provisions of section 185 and 186, in respect of loans, investments, guarantees and securities.
5. The Company has not accepted any deposits from the public during the year.
6. We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 148 of the Act, and are of the opinion that the company does not attract the provisions of section 148.
7. a. According to the records of the Company and as per information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, and any other statutory dues applicable to it with appropriate authorities and there were no undisputed dues outstanding as on 31st March, 2018 for a period of more than six months from the date they become payable.
- b. Details of dues which have not been deposited as at March, 2018 on account of disputes as given below:

Statement of Disputed Dues

Name of the Statute	Nature of the Dues	Amount (in lacs)	Period to which the amount relates	Forum where the dispute is pending	Remarks (if any)
The Finance Act	Service Tax	446.43	May'06 to September '12	Assistant Commissioner of Service Tax	-
The Customs Act, 1962	Custom Duty	331.92	December '09 to September '13	Commissioner of Customs	Demand is Stayed by order of Gujarat High Court.

8. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to Government, any Financial Institution or Bank or debenture holders subject to an amount of Rs. 4.14 Crore of working capital facility obtained from the bank, which has been overdue for not more than 7 days, as on the balance sheet date. However, the same has been repaid by the Company by 6th April, 2018.
9. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has neither obtained any term loans nor has raised money by way of initial public offer or further public offer (including debt instruments).
10. In our opinion and according to the information and explanations given to us no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. To the best of our knowledge and belief and according to the information and explanations given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. In our opinion and according to the information and explanations given to us the Company has not entered into any non-cash transactions with the directors or persons connected with him.
16. The Company is not required to obtain registration under section 451A of the Reserve Bank of India Act, 1934.

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FR No: 105765W

MAHENDRA DOSHI
PROPRIETOR
MEMBERSHIP NO. 41316

Place : Mumbai
Date : May 24, 2018

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")
We have audited the internal financial controls over financial reporting **ASIAN STAR COMPANY LIMITED** ("The Company"), as of **31st March, 2018** in conjunction with our audit of standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide for a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: 1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation to financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the Inherent Limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FR No: 105765W

MAHENDRA DOSHI
PROPRIETOR
MEMBERSHIP NO. 41316

Place : Mumbai
Date : May 24, 2018

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
ASSETS					
Non-Current Assets					
a Property, Plant & Equipment	1	22,726.41		24,736.86	
b Investment Property		4,993.10		4,993.10	
Financial Assets					
i) Non Current Investments	2	4,491.29		2,241.55	
ii) Other Financial Assets	3	74.94		74.69	
d Other Non-Current Assets	4	558.22		558.77	
			32,843.96		32,604.97
Current Assets					
a Inventories	5	48,515.83		56,214.87	
Financial Assets					
i) Current Investments	6	2,471.46		1,532.90	
ii) Trade Receivables	7	74,445.23		63,842.75	
iii) Cash and Cash Equivalents	8	11,088.10		9,216.04	
iv) Other Bank Balances	9	9,522.82		8,581.96	
v) Loans & Advances	10	4,263.58		2,067.63	
vi) Other Financial Assets	11	244.39		3,553.67	
			1,50,551.41		1,45,009.82
TOTAL			1,83,395.37		1,77,614.79
EQUITY AND LIABILITIES					
EQUITY					
a Equity Share Capital	12	1,600.68		1,600.68	
b Other Equity	13	66,506.33		63,215.69	
			68,107.01		64,816.37
LIABILITIES					
Non-Current Liabilities					
Financial Liabilities					
i) Long-Term Borrowings	14	2,253.86		2,500.00	
b Deferred Tax Liabilities (Net)	15	4,715.19		5,082.06	
c Long-Term Provisions	16	478.67		472.12	
d Non Current Tax Liabilities	17	152.28		2.66	
e Other Non-Current Liabilities	18	780.66		689.21	
			8,380.66		8,746.05
Current Liabilities					
Financial Liabilities :					
i) Short-Term Borrowings	19	74,136.60		75,407.90	
ii) Trade Payables	20	27,505.52		27,776.12	
iii) Other Financial Liabilities	21	327.94		75.93	
b Other Current Liabilities	22	4,937.64		792.42	
			1,06,907.70		1,04,052.37
TOTAL			1,83,395.37		1,77,614.79
Significant Accounting Policies					
Notes on Financial Statements	1 to 52				

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

APARNA SHINDE
Company Secretary

Place : Mumbai
Dated : May 24, 2018

For and on behalf of the Board

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated : May 24, 2018

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : June 8, 2018

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	NOTE	2017-2018		2016-2017	
Revenue From Operations	23	2,72,655.61		2,69,651.67	
Other Income	24	1,105.01		855.10	
Total Revenue			2,73,760.62		2,70,506.77
EXPENSES					
Cost of Materials Consumed	25	2,08,370.82		2,10,281.09	
Purchases of Stock-In-Trade		19,200.82		32,805.38	
Changes in Inventories of Work-In-Progress & Finished Goods	26	1,139.25		(11,755.04)	
Employee Benefits Expense	27	5,916.29		5,121.90	
Finance Costs	28	2,632.75		2,445.71	
Depreciation and Amortization Expense		1,523.11		1,568.64	
Other Expenses	29	29,326.88		23,292.27	
Total Expenses			2,68,109.92		2,63,759.95
Profit Before Exceptional Items & Tax			5,650.70		6,746.82
Exceptional Items Income/(Loss)	30		(489.40)		(44.15)
Profit Before Tax			5,161.30		6,702.67
Tax expense					
Current Tax			1,964.57		2,275.74
Deferred Tax			(366.86)		(21.49)
Profit After Tax			3,563.59		4,448.42
Other Comprehensive Income			(24.30)		(174.18)
Total Comprehensive Income			3,539.29		4,274.24
Earnings Per Equity Share:					
Basic and Diluted (In Rs.)			22.26		27.79
Significant Accounting Policies					
Notes on Financial Statements	1 to 52				

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

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Place : Mumbai
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CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : June 8, 2018

APARNA SHINDE
Company Secretary

Place : Mumbai
Dated : May 24, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	5,161.30	6,702.67
Adjustment for		
Depreciation	1,523.11	1,568.64
Finance Costs	2,632.75	2,445.71
Unrealised Foreign Exchange (Gain) / Loss	71.02	(816.87)
Dividend Received	(264.43)	(256.57)
(Profit)/Loss on sale of fixed assets	489.40	44.15
(Profit)/Loss on sale of Investment	(56.29)	(11.81)
Diminution in value of Investment written off / (written back)	(124.96)	(412.60)
Dividend Paid	240.10	240.10
Tax on Dividend	50.24	50.24
Operating Profit Before Working Capital Changes	9,722.25	9,553.66
Adjustment for		
Receivables	(10,170.11)	(1,395.20)
Inventories	7,699.03	(15,725.89)
Loans & Advances	1,113.62	12,442.33
Current and Non Current Liabilities	3,747.17	10,159.77
Cash generated from / (used in) Operations	12,111.96	15,034.67
Taxation	(1,827.35)	(2,131.41)
Cash flow before Extraordinary Items	10,284.61	12,903.26
Net Cash from / (used in) Operating Activities	10,284.61	12,903.26
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (Includes Capital Work in Progress)	(465.47)	(3,146.44)
Sale of fixed assets	463.41	1,888.34
Purchase / Increase of Investments	(3,108.23)	(3,118.94)
Dividend Received	264.43	256.57
Sale/Decrease of Investments	101.18	-
Net Cash from / (used in) Investing Activities	(2,744.68)	(4,120.47)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	(246.14)	246.14
Short Term Borrowings	(1,557.78)	(4,400.53)
Finance Costs	(2,632.75)	(2,236.04)
Dividend Paid	(240.10)	(240.10)
Tax on Dividend	(50.24)	(50.24)
Net cash from / (used in) Financing Activities	(4,727.01)	(6,680.77)
Net increase / (decrease) in Cash & Cash Equivalents	2,812.92	2,102.02
Cash & Cash Equivalents as at 1st April (Opening)-*	17,798.00	15,695.98
Cash & Cash Equivalents as at 31st March (Closing)-*	20,610.92	17,798.00

* includes fixed deposits of Rs. 14,368.48 lacs (FY 16-17 Rs. 13,861.18 lacs) pledged as collateral securities with banks for facilities obtained. Includes fixed deposits of Rs. 9,522.82 lacs (FY 16-17 Rs. 8,581.96 lacs) maturing after 3 months.

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

APARNA SHINDE
Company Secretary

Place : Mumbai
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Place : Mumbai
Dated : May 24, 2018

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : June 8, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**A. Equity Share Capital**

(Rs. in Lacs)

Particulars	Balance at the beginning of the period April 1, 2016	Changes in Equity share capital during the year 2016-17	Balance at the end of the reporting period March 31, 2017	Changes in Equity share capital during the year 2017-18	Balance at the end of the reporting period March 31, 2018
Equity Share Capital	1,600.68	-	1,600.68	-	1,600.68

B. Other Equity

(Rs. in Lacs)

Particulars	Reserves and Surplus					Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	
AS ON MARCH 31, 2017						
Balance at the beginning of the reporting period i.e. April 1, 2016	298.16	1,986.44	16,163.68	40,952.85	(203.37)	59,197.75
Total Comprehensive Income for the year				4,448.42	(174.18)	4,274.24
Tax on Dividend				(50.24)		(50.24)
Dividend				(240.10)		(240.10)
Tax on Dividend of the last year reversed				50.24		50.24
Transfer to / from retained earnings			200.00	(200.00)		-
Provision of Tax of earlier years				(16.20)		(16.20)
Balance at the end of the reporting period i.e. March 31, 2017	298.16	1,986.44	16,363.68	44,944.97	(377.55)	63,215.69
AS ON MARCH 31, 2018						
Balance at the beginning of the reporting period i.e. April 1, 2017	298.16	1,986.44	16,363.68	44,944.97	(377.55)	63,215.69
Total Comprehensive Income for the year				3,563.59	(24.30)	3,539.29
Tax on Dividend				(50.24)		(50.24)
Dividends				(240.10)		(240.10)
Tax on Dividend of the last year reversed				50.24		50.24
Transfer to / from retained earnings			200.00	(200.00)		-
Provision for tax of Earlier Years written off				(8.55)		(8.55)
Balance at the end of the reporting period i.e. March 31, 2018	298.16	1,986.44	16,563.68	48,059.90	(401.85)	66,506.33

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants

FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

For and on behalf of the Board

APARNA SHINDE
Company Secretary

Place : Mumbai
Dated : May 24, 2018

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated : May 24, 2018

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : June 8, 2018

A. CORPORATE INFORMATION

Asian Star Company Limited (The Company) is a public limited company domiciled and incorporated in India. Its shares are listed on the Bombay stock exchange in India.

The Company is one of the world's leading diamantaires primarily engaged in the business of diamond cutting and polishing, jewellery manufacturing and retailing. The Company is also engaged in generation of electricity through wind power in India.

B. SIGNIFICANT ACCOUNTING POLICIES**1. Basis of preparation**

These financial statements of the Company have been prepared in accordance with IFRS converged Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 ("IndAS").

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of business operations, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Accounting policies requiring management judgement and key sources of estimation uncertainty

The accounting policies which have the most significant effect on the figures disclosed in these financial statements are mentioned below and these should be read in conjunction with the disclosure of the significant IndAS accounting policies provided below:

a. Revenue recognition

Revenue recognition requires management judgement of deciding the most appropriate basis for presenting revenue or costs of revenue after reviewing both the legal form and substance of the agreement. Determining the amount of revenue to be recognized for multiple element arrangements also requires management judgement.

b. Useful life of Property, Plant and Equipment

The assessment of the useful life of each asset by considering the historical experience and expectations regarding future operations and expected usage, estimated technical obsolescence, residual value, physical wear and tear and the operating environment in which the asset is located needs significant judgement by the management.

c. Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized.

d. Fair value

Certain financial instruments, such as investments in equity securities, derivative financial instruments and certain elements of borrowings, are carried in the financial statements at fair value, with changes in fair value reflected in the income statements. Fair values are estimated by reference to published price quotations or by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows analysis.

3. Summary of significant accounting policies**a. Use of estimates**

Preparation of these financial statements in accordance with IndAS requires management to make judgments on the basis of certain estimates and assumptions. In addition, the application of accounting policies requires management judgment. Estimates are based on the managements view on past events and future development and strategies. Management reviews the estimates and assumptions on a continuous basis, by reference to past experiences and other factors that can reasonably be used to assess the book values of assets and liabilities.

b. Presentation of true and fair view

These financial Statements have been prepared by applying IndAS principles and necessary disclosures have been made which present a true and fair view of the financial position, financial performance and cash flows of the Company.

c. Going concern

These financial statements have been prepared on a going concern basis and it is assumed that the company will continue in operation in the foreseeable future and neither there is an intention nor need to materially curtail the scale of operations.

d. Accrual basis

These financial statements, except for cash flow information, have been prepared using the accrual basis of accounting.

e. Materiality

Each material class of similar items has been presented separately in these financial Statements.

f. Basis of measurement

These financial statements have been prepared on an accrual basis, except for certain properties and financial instruments that have been measured at fair values or revalued amounts as required by the relevant IndAS.

g. Offsetting

In preparation of these financial Statements, the Company has not offset assets and liabilities or income and expenses, unless required or permitted by Ind AS.

h. Functional and presentation currency

IndAS 21 requires that functional currency and presentation currency be determined. Functional currency is the currency of the primary economic environment in which the entity operates. Presentation currency is the currency in which the financial statements are presented.

These financial statements are presented in Indian Rupee, which is the functional currency and presentation currency of the Company.

i. Foreign currency transactions

All foreign currency transactions are expressed in the functional currency using the exchange rate at the transaction date.

Foreign currency balances representing cash or amounts to be received or paid in cash (monetary items) are retranslated at the end of the year using the exchange rate on that date. Exchange differences on such monetary items are recognized as income or expense for the year.

Non-monetary balances that are not remeasured at fair value and are denominated in a foreign currency are expressed in the functional currency using the exchange rate at the transaction date. Where a non-monetary item is remeasured at fair value in the financial statements, the exchange rate at the date when fair value was determined is used.

j. Tangible fixed assets (PPE & CWIP)

Property, plant and equipment (PPE) is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes).

In the first year of transition to IndAS, the various items of PPE have been valued as per their 'deemed cost' in accordance with IndAS 101.

k. Depreciation on tangible fixed assets

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated over its

useful life as prescribed in Schedule II to The Companies Act, 2013 on straight line basis.

In the first year of transition to IndAS, the land and buildings have been valued at fair market value which is their 'deemed cost' in accordance with IndAS 101. Accordingly, as per the Fair market valuation report, the estimates of useful life of land and buildings have been revised and depreciation has been calculated on the basis of revised useful lives.

l. Investment property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. The accounting policy adopted by the Company for measuring this property is the cost model as prescribed in IndAS 40. The Company measures investment property using cost based measurement.

m. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest expense is calculated using the effective interest method as described in Ind AS 109. Borrowing costs are expensed in the period in which they occur.

n. Inventories

Stock of raw materials, i.e. Rough diamonds - is valued using specific identification method or net realizable value whichever is lower & Gold - is stated at moving weighted average cost or net realizable value whichever is lower. Stock of polished diamonds (for jewellery operations) is valued at technically evaluated cost or net realizable value whichever is lower. Specific items of cost are allocated and assigned to inventory wherever practicable.

Work in Process is valued at technically evaluated cost. Finished goods i.e. mainly cut & polished diamonds and diamond studded jewellery are valued at cost or net realizable value whichever is lower. Inventory of cut & polished diamonds, where 'specific identification' is possible is valued using 'Specific Identification' method. In case of inventory of cut & polished diamonds where such 'specific identification' of cost is not possible, valuation is done using 'retail' method. Cost includes cost of material and related conversion cost.

Consumables are valued at cost.

Valuation of Diamonds and Jewellery is a technical subject requiring specialized knowledge and skills. Valuation is derived based on assessment by the management and valuations carried on by Government Approved Valuer.

o. Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Any discount or rebate in any form, including cash discounts is recorded as a reduction from revenues.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

p. Government grants

Grants from government are recognized at their fair value where reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

q. Retirement and other employee benefits**Short Term Employee Benefits**

Short term employee benefits given or promised by the Company are recognized in the period during which the service has been rendered.

Defined contribution plans

Benefits under Provident Fund Act, Family Pension Fund & Employees State Insurance Scheme.

As per Provident Fund Act, 1952 all employees of the company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administrated and managed by the Government of India. In addition some employees of the Company are covered under Employees State Insurance Scheme Act, 1948, which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in Profit and Loss Statement during the period in which the employee renders the related services. The Company has no further obligation under this plan beyond its monthly contributions.

The cost of defined contribution plans is the contribution payable by the employer for that accounting period.

Defined benefit plans

The Company provides for gratuity obligation through a Defined Benefit Retirement Plan ('The Gratuity Plan') covering its employees. The present value of the obligation under such Defined plan is determined based on actuarial valuation. The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Actuarial gains and losses are recognized in Profit & Loss Statement as and when determined. The Company makes annual contribution to LIC for the Gratuity plan in respect of employees.

Remeasurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Remeasurements are recognized in other comprehensive income.

r. Taxes on income

Current tax expense is based on the taxable and deductible amounts to be used for the computation of the taxable income for the current year. A liability is recognized in the balance sheet in respect of current tax expense for the current and prior periods to the extent unpaid. An asset is recognized if current tax has been overpaid.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Current and deferred tax is recognized in profit or loss for the period, unless the tax arises from a business combination or a transaction or event that is recognized outside profit or loss, either in other comprehensive income or directly in

equity in the same or different period.

s. Earnings per share

Basic EPS is calculated by dividing the profit or loss for the period attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding (including adjustments for bonus and rights issues).

Diluted EPS is calculated by adjusting the profit or loss and the weighted average number of ordinary shares by taking into account the conversion of any dilutive potential ordinary shares.

Basic and diluted EPS are presented in the statement of profit and loss for each class of ordinary shares in accordance with IndAS 33.

t. Provisions, contingent liabilities and contingent assets

Company recognizes provision, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. For long-term provisions, management performs an exercise at each balance sheet date to identify the best estimate of the expenditure required to settle the present obligation at the balance sheet date, discounted at an appropriate rate. The increase in provision due to the passage of time (that is a consequence of the discount rate) is recognized as borrowing cost.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made.

Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

As per IndAS 37, Contingent liabilities, if any, are not recognized but are disclosed and described in the notes to the financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

u. Cash and Cash equivalents & Other bank balances

Cash and cash equivalents for the purpose of the cash flow statement comprise cash at bank, cash in hand and all fixed deposits with banks.

v. Related party disclosures

All disclosures as specified under IndAS 24 are made in these financial Statements in respect of the company's transactions with related parties.

w. Dividend

Dividends proposed or declared after the reporting period but before the financial statements are approved for issue, are not recognized as a liability at the end of the reporting period because no obligation exists at that time. The company recognizes the dividend to Equity Shareholders as a liability and deducts the same from Shareholder's equity only in the period in which the dividends are approved by the equity shareholders in the general meeting.

x. Financial instruments

Financial assets and financial liabilities are recognized on the Company Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets - Trade receivables

Trade receivables are non-interest-bearing and are recognized initially at fair value, and subsequently at amortized cost using the effective interest rate method, less provision for impairment, if any.

Impairment of Trade receivables

At each balance sheet date, the Company reviews the carrying amounts of its trade receivables to determine whether there is any indication of impairment loss. If there is objective evidence that an impairment loss has been incurred, the Company uses the Expected Credit Loss (ECL) model to assess the impairment loss.

Financial Assets - Investments

Investments consist of investments in equity shares (quoted) and are recognized at fair value through profit & loss. Gains and losses arising from changes in fair value are recognized in profit or loss. Dividends, if any, on equity instruments are recognized in profit or loss when the company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Investment in subsidiary and Joint Venture are accounted at cost using equity method of accounting.

Financial Assets - Loans and advances to staff

Loans and advances are given to staff which are either adjusted against salary or received on completion of the agreed period. The amount of loan and advances given being not material are carried at cost.

Impairment of loans and advances to staff

At each balance sheet date, the Company reviews the carrying amounts of its loans and advances to determine whether there is any indication that those assets have suffered an impairment loss. The Company has not observed any impairment loss to the carrying value of loans and advances to staff.

Financial Liabilities - Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortized cost with any difference between proceeds and redemption value being recognized in the Income Statement over the period of the borrowings on an effective interest basis.

Financial Liabilities - Trade payables

Trade payables are non-interest bearing and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Financial Liabilities - Derivative financial instruments

Derivative transactions are entered into by the Company in the form of Forward / Option Contracts to mitigate the risk of changes in the exchange rates on foreign currency exposures. The counterparty of these contracts is bank. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. These derivatives constitute hedge from an economic perspective and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to sales / purchase in statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2018**1. PROPERTY, PLANT & EQUIPMENT**

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK			
	As At April 1, 2017	Additions	Deductions	As At March 31, 2018	As At April 1, 2017	For The Year	Deductions	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
Land	6,076.34	-	-	6,076.34	-	16.02	-	16.02	6,060.32	6,076.34
Office Premises	1,253.88	-	-	1,253.88	70.99	35.49	-	106.48	1,147.40	1,182.90
Factory Premises	6,177.12	-	-	6,177.12	555.48	148.75	-	704.23	5,472.89	5,621.65
Plant & Machinery	16,364.35	258.61	1,464.31	15,158.65	6,124.35	943.82	511.52	6,556.65	8,602.00	10,240.00
Vehicles	856.67	10.55	11.50	855.72	382.34	95.27	11.48	466.13	389.59	474.33
Furniture & Fixtures	1,091.38	22.30	-	1,113.68	747.55	75.96	-	823.51	290.17	343.82
Office Equipments	1,816.16	143.59	0.16	1,959.59	1,154.30	133.65	0.15	1,287.80	671.79	661.85
Computer	712.17	30.43	-	742.60	576.20	74.15	-	650.35	92.25	135.97
CURRENT YEAR	34,348.07	465.48	1,475.97	33,337.58	9,611.21	1,523.11	523.15	10,611.17	22,726.41	24,736.86
PREVIOUS YEAR	33,279.14	3,146.44	2,077.51	34,348.07	8,146.37	1,568.64	103.80	9,611.21	24,736.86	25,132.76

2. NON CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Unquoted, Equity Instruments		
a) In Wholly Owned Subsidiary Companies at cost (all fully paid)		
Asian Star Co.Ltd., USA 5 (5) Shares of US\$ 1,00,000 each	178.75	178.75
Asian Star DMCC 200 (200) Shares of AED 1,000 each	62.23	62.23
Asian Star Jewels Pvt Ltd 10,00,000 (10,00,000) Shares of Rs. 10 each	130.67	120.81
Asian Star Trading (Hongkong) Ltd 10,000 (10,000) Shares of HK\$ 100 each	103.58	204.76
b) In Other Companies at cost (all fully paid)		
Indian Commodity Exchange Ltd. 1,67,50,000 (1,67,50,000) Shares of Rs. 10 each	1,675.00	1,675.00
Utkarsh Micro Finance Ltd. 90,000 (Nil) Shares of Rs. 10 each	117.00	-
Other Investments		
Ratnanjali Infra LLP (Partnership Firm)	2,224.06	-
Total	4,491.29	2,241.55

3. OTHER FINANCIAL ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Deposits With Others	36.82	36.70
Security Deposits	38.12	37.99
Total	74.94	74.69

4. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Capital Advances	364.91	364.91
Security Deposit	193.31	193.86
Total	558.22	558.77

5. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Raw Materials	13,809.54	20,379.95
Work In Progress	3,961.15	4,026.41
Finished Goods	30,712.18	31,786.17
Consumables	32.96	22.34
(Inventories are valued as per point no. 3(n) to significant accounting policies)		
Total	48,515.83	56,214.87

6. CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018		AS AT MARCH 31,2017	
Investments carried at Fair Value through profit & loss (FVTPL)				
Investments in Bond				
Sovereign Gold Bond Scheme 800 (200) Units	23.31		5.83	
A		23.31		5.83
Quoted, fully paid up				
Classic Diamonds (India) Ltd. 716 (716) Shares of Rs. 2 each	0.01		0.01	
Shrenuj & Co Ltd. 2,000 (2,000) Shares of Rs. 2 each	0.02		0.03	
Windsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.01		0.01	
Ratnakar Bank Limited Nil (28,000) Shares of Rs. 10 each	-		138.38	
Tribhovandas Bhimji Zaveri Ltd. Nil (1,00,000) Shares of Rs. 10 each	-		77.85	
Aarti Industries Ltd 11,365 (7,700) Shares of Rs. 5 each	130.04		58.96	
Aegis Logistics Ltd 55,500 (55,000) Shares of Rs. 10 each	143.66		107.86	
APL Apollo Tubes Ltd 5,220 (5,220) Shares of Rs. 10 each	104.12		61.09	
Asian Oilfield Serv Ltd 18,815 (Nil) Shares of Rs. 10 each	35.18		-	

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018		AS AT MARCH 31,2017	
Astec Lifescience Ltd 12,235 (12,235) Shares of Rs. 10 each	71.17		73.83	
Aptech Ltd. Nil (24,973) Shares of Rs. 10 each	-		57.45	
CCL Products Ltd Nil (20,419) Shares of Rs. 2 each	-		69.89	
Dalmia Bharat Ltd 2,630 (2,630) Shares of Rs. 10 each	75.88		51.74	
Deep Industries Ltd Nil (26,250) Shares of Rs. 10 each	-		86.48	
Exide Industries Ltd 31,100 (31,100) Shares of Re. 1 each	69.03		69.65	
Greenlam Industries Ltd 314 (6,328) Shares of Rs. 10 each	3.59		40.07	
Gujarat Heavy Chem. Ltd Nil (20,776) Shares of Rs. 10 each	-		55.25	
HDFC Bank Ltd 9,075 (6,985) Shares of Rs. 2 Each	171.65		100.74	
Indian Energy Exch Ltd 3,721 (Nil) Shares of Rs. 10 each	58.66		-	
J.K.Tyre & Industries 40,000 (Nil) Shares of Rs. 2 each	64.67		-	
KEI Industries Ltd 18,550 (Nil) Shares of Rs. 2 each	71.38		-	
Manapuram Finance Ltd Nil (91,620) Shares of Rs. 2 each	-		89.79	
Maruti Suzuki Ltd 1,895 (1,560) Shares of Rs. 10 each	167.20		93.98	
Neuland Laboratories Ltd Nil (6,500) Shares of Rs. 10 each	-		96.73	
ITD Cementation Ltd Nil (39,090) Shares of Rs. 10 each	-		66.90	
Navin Fluorine Intl Ltd 12,000 (2,400) Shares of Rs. 2 each	92.51		73.05	
Radio City Ltd 15,704 (Nil) Shares of Rs. 10 each	62.37		-	
SP Appareals Ltd. Nil (13,267) Shares of Rs. 10 each	-		57.25	
Shilpa Medicate Ltd 13,044 (Nil) Shares of Rs. 1 each	60.64		-	
Voltas Ltd 9,080 (Nil) Shares of Rs. 1 each	56.34		-	

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Ashok Leyland Ltd 40,000 (Nil) Shares of Rs. 1 each	58.16	-
BASF India Ltd 3,000 (Nil) Shares of Rs. 10 each	62.32	-
Escorts Ltd 3,950 (Nil) Shares of Rs. 10 each	32.72	-
INFO Edge (India) Ltd 4,000 (Nil) Shares of Rs. 10 each	47.55	-
L & T Finance Holdings Ltd 30,000 (Nil) Shares of Rs. 10 each	47.15	-
Piramal Enterprises Ltd 2,609 (Nil) Shares of Rs. 2 each	63.68	-
Tata Elexi Ltd 4,450 (Nil) Shares of Rs. 10 each	43.83	-
Ujjivan Fin Serv Ltd 15,000 (Nil) Shares of Rs. 10 each	51.84	-
United Spirits Ltd 2,000 (Nil) Shares of Rs. 2 each	62.52	-
Varun Beverages Ltd 9,000 (Nil) Shares of Rs. 10 each	55.57	-
Asian Paints Ltd 299 (Nil) Shares of Rs. 1 each	3.35	-
Bajaj Finance Ltd 569 (Nil) Shares of Rs. 2 each	10.03	-
Bajaj Finserv Ltd 172 (Nil) Shares of Rs. 5 each	8.95	-
Britania Industries Ltd 83 (Nil) Shares of Rs. 2 each	4.13	-
Eicher Motors Ltd 12 (Nil) Shares of Rs. 10 each	3.40	-
Gruh Finance Ltd 779 (Nil) Shares of Rs. 2 each	4.50	-
Havells India Ltd 713 (Nil) Shares of Rs. 1 each	3.48	-
HDFC Bank Ltd 249 (Nil) Shares of Rs. 2 each	4.71	-
HDFC Life Ins Co Ltd 365 (Nil) Shares of Rs. 10 each	1.66	-
Hind Petro Corp Ltd 945 (Nil) Shares of Rs. 10 each	3.25	-
Indusind Bank 257 (Nil) Shares of Rs. 10 each	4.61	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Kaveri Seed Co Ltd 531 (Nil) Shares of Rs. 2 each	2.56	-
Maruti Suzuki Ltd 41 (Nil) Shares of Rs. 5 each	3.63	-
Motherson Sumi Ltd 1,217 (Nil) Shares of Rs. 1 each	3.79	-
MRF Ltd 6 (Nil) Shares of Rs. 10 each	4.34	-
NBCC India Ltd 1,480 (Nil) Shares of Rs. 1 each	2.82	-
P I Industries Ltd 414 (Nil) Shares of Rs. 1 each	3.68	-
Petronet LNG Ltd 1,186 (Nil) Shares of Rs. 10 each	2.74	-
Ramco Cements Ltd 355 (Nil) Shares of Rs. 1 each	2.60	-
Supreme Industries Ltd 317 (Nil) Shares of Rs. 2 each	3.77	-
AIA Engineering Ltd 92 (Nil) Shares of Rs. 2 each	1.31	-
Balkrishna Industries Ltd 396 (Nil) Shares of Rs. 2 each	4.25	-
Gujarat Gas Ltd 524 (Nil) Shares of Rs. 10 each	4.35	-
Hind Petro Corp Ltd 1,110 (Nil) Shares of Rs. 10 each	3.82	-
JK Paper Ltd 1,910 (Nil) Shares of Rs. 10 each	2.58	-
MAS Fin Serv Ltd 589 (Nil) Shares of Rs. 10 each	3.50	-
Minda Industries Ltd 372 (Nil) Shares of Rs. 2 each	4.00	-
Motherson Sumi S Ltd 1,424 (Nil) Shares of Rs. 1 Each	4.44	-
Nilkamal Ltd 189 (Nil) Shares of Rs. 10 Each	2.88	-
Relaxo Footware Ltd 682 (Nil) Shares of Rs. 1 Each	4.44	-
Siyaram Silk Mills Ltd 493 (Nil) Shares of Rs. 2 Each	3.00	-
Sundaram Finance Ltd 206 (Nil) Shares of Rs. 10 Each	4.09	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018		AS AT MARCH 31,2017	
Symphony Ltd 113 (Nil) Shares of Rs. 2 each	2.02		-	
Tasty Bite Eatables Ltd 9 (Nil) Shares of Rs. 10 Each	0.67		-	
Timken India Ltd 502 (Nil) Shares of Rs. 10 Each	3.52		-	
Vardhaman Textiles Ltd 322 (Nil) Shares of Rs. 10 Each	3.93		-	
Aegis Logistic Ltd 2,395 (Nil) Shares of Rs. 1 Each	6.22		-	
Alkem Lab Ltd 201 (Nil) Shares of Rs. 2 Each	4.00		-	
Au Small Fin Bank 946 (Nil) Shares of Rs. 10 Each	5.85		-	
Bayer Cropscience Ltd 36 (Nil) Shares of Rs. 10 Each	1.52		-	
Birla Corporation Ltd 832 (Nil) Shares of Rs. 10 Each	5.95		-	
Blue Star Ltd 513 (Nil) Shares of Rs. 2 Each	3.88		-	
Canfin Homes Ltd 1,007 (Nil) Shares of Rs. 2 Each	4.83		-	
Development Credit Bank Ltd 4,655 (Nil) Shares of Rs. 10 Each	7.52		-	
Dhanuka Agritech Ltd 334 (Nil) Shares of Rs. 2 Each	1.84		-	
Dishman Carbigen Ltd 1,053 (Nil) Shares of Rs. 2 Each	3.37		-	
Dr Lal Path Ltd 318 (Nil) Shares of Rs. 10 Each	2.79		-	
Gabriel India Ltd 2,707 (Nil) Shares of Rs. 1 Each	3.71		-	
Glaxo Smithkline Consumer Healthcare Ltd 12 (Nil) Shares of Rs. 10 Each	0.73		-	
IIFL Holdings Ltd 352 (Nil) Shares of Rs. 2 Each	2.51		-	
ITD Cement India Ltd 1,695 (Nil) Shares of Rs. 1 Each	2.67		-	
Kajaria Ceramics Ltd 681 (Nil) Shares of Rs. 1 Each	3.90		-	
Laxmi Vilas Bank Ltd 3,012 (Nil) Shares of Rs. 10 Each	2.97		-	

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018		AS AT MARCH 31,2017	
Mahanagar Gas Ltd 461 (Nil) Shares of Rs. 10 Each	4.42		-	
Quess Corp Ltd 709 (Nil) Shares of Rs. 10 Each	7.29		-	
Suprajit Engg Ltd 640 (Nil) Shares of Rs. 1 Each	1.78		-	
TTK Prestige Ltd 67 (Nil) Shares of Rs. 10 Each	4.14		-	
B		2,180.16		1,526.99
Investments in Mutual Fund				
Reliance Liquid Fund 107 (8) Units	1.07		0.08	
Reliance Liquid Fund Direct-G 903 (Nil) Units	23.63		-	
HDFC Small Cap Fund Direct Growth Plan 1,55,122 (Nil) Units	72.32		-	
Kotak Select Focus Fund Direct Plan Growth 2,15,853 (Nil) Units	72.26		-	
Motilal Oswal Most Focused Multicap35 Fund 3,61,232 (Nil) Units	98.71		-	
C		267.99		0.08
Total A+B+C		2,471.46		1,532.90

7. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018		AS AT MARCH 31,2017	
Unsecured				
Over six months from due date				
Considered Good	745.66		982.80	
Considered Doubtful	58.12		24.71	
	803.78		1,007.51	
Less: Provision for doubtful debts	58.12		24.71	
		745.66		982.80
Others				
Considered Good		73,699.57		62,859.95
Total		74,445.23		63,842.75

8. CASH AND CASH EQUIVALENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Balances with Banks	4,172.79	2,658.25
Fixed Deposits with Banks	6,897.73	6,535.49
Cash on hand	17.58	22.30
Total	11,088.10	9,216.04

- Balance with banks include unclaimed Dividend of Rs. 0.32 lacs (For F.Y. 2016-17 it was Rs. 0.32 lacs), & unclaimed fractional entitlement Rs. 0.17 lacs (For F.Y.2016-17 it was Rs. 0.17 lacs).

9. OTHER BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Fixed Deposits with Banks	9,522.82	8,581.96
Total	9,522.82	8,581.96

- Fixed Deposits with banks include deposits of Rs. 1,047.89 lacs (For FY 2016-17 it was Rs. 771.80 lacs) with maturity of more than 12 months.
- Fixed Deposits with banks includes deposits of Rs. 14,368.48 lacs (For F.Y. 2016-2017 it was Rs. 13,861.18 lacs) pledged as collateral securities with the bank as security for facilities obtained.
- Fixed Deposits with banks includes deposits of Rs. 657.25 lacs (For F.Y. 2016-2017 it was Rs. 595.94 lacs) kept as margin money against bank guarantees.

10. LOANS AND ADVANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Loan to Subsidiary	255.00	370.42
Loans & Advances Others *		
Unsecured, considered good	4,008.58	1,697.21
Total	4,263.58	2,067.63

* Includes advance interest paid on loan, advances to supplier, prepaid expenses, staff loans, etc.,

11. OTHER FINANCIAL ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Derivatives - Foreign Exchange Contracts	244.39	3,553.67
Total	244.39	3,553.67

12. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs.10 each	2,500.00	2,500.00
4,00,00,000 (4,00,00,000) Redeemable Cumulative Preference Shares of Rs.10 each	4,000.00	4,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each	1,600.68	1,600.68
Total	1,600.68	1,600.68

12.1 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

PARTICULARS	AS AT MARCH 31,2018		AS AT MARCH 31,2017	
	NO. of SHARES HELD	% of HOLDING	NO. of SHARES HELD	% of HOLDING
Vipul Prabodh Shah	40,00,050	24.99	40,00,050	24.99
Nirmala Dinesh Shah	18,00,000	11.25	18,00,000	11.25
Arvind Tarachand Shah	15,84,450	9.90	15,84,450	9.90
Priyanshu Arvind Shah	12,15,450	7.59	12,15,450	7.59
Rasila Arvind Shah	12,00,000	7.50	12,00,000	7.50
Dharmesh Dinesh Shah	11,50,000	7.18	11,50,000	7.18
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
Total	1,19,50,000	74.66	1,19,50,000	74.66

12.2. THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Equity shares at the beginning of the year	160,06,800	160,06,800
Equity shares at the end of the year	160,06,800	160,06,800

13. OTHER EQUITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
Capital Reserves				
As per Last Balance Sheet		298.16		298.16
Capital Redemption Reserve				
As per Last Balance Sheet		1,986.44		1,986.44
General Reserves				
As per Last Balance Sheet	16,363.68		16,163.68	
Add : Transfer from Surplus Account	200.00		200.00	
		16,563.68		16,363.68
Other Comprehensive Income		(401.85)		(377.55)
Surplus Account				
As per last Balance Sheet	44,944.96		40,952.85	
Add: Profit for the Year	3,563.59		4,448.42	
Add: Tax on Proposed Dividend of last year reversed	50.24		50.24	
	48,558.79		45,451.51	
Less: Appropriations				
Transferred to General Reserve	200.00		200.00	
Dividend on Equity Shares	240.10		240.10	
(Dividend per Share Rs.1.50/-)				
(Previous Year Dividend per Share Rs.1.50/-)				
Tax on Dividend	50.24		50.24	
Provision for Tax of Earlier Years written off	8.55		16.21	
	498.89		506.55	
		48,059.90		44,944.96
Total		66,506.33		63,215.69

14. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Unsecured Loans		
Loan from Related Party- Directors	2,253.86	2,500.00
Total	2,253.86	2,500.00

15. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Deferred Tax Liability on account of :		
(i) Property, Plant & Equipment	4,875.58	5,253.96
(ii) Others	13.95	(8.55)
A	4,889.53	5,245.41
Deferred Tax Asset on account of :		
(i) Provision for Doubtful Debts	20.11	-
(ii) Gratuity Liability	154.23	163.35
B	174.34	163.35
Deferred Tax Liability (Net)	4,715.19	5,082.06

16. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Provision for Employee Benefits		
Provision for Gratuity	478.67	472.12
Total	478.67	472.12

17. NON CURRENT TAX LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Taxation	152.28	2.66
Total	152.28	2.66

18. OTHER NON-CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Deferred Income (Liability)	780.66	689.21
Total	780.66	689.21

19. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Secured Loans		
Working Capital Loan from Banks	67,630.80	71,446.10
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Mortgage of Premises at Mumbai & Surat		
d. Guaranteed by some of the Directors in their personal capacity		
Unsecured Loans		
Loan from Related Party- Directors	6,505.80	3,961.80
Total	74,136.60	75,407.90

20. TRADE PAYABLES

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Creditors for Goods		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	25,568.00	26,081.61
Creditors for Processing		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	1,937.52	1,694.51
Total	27,505.52	27,776.12

21. OTHER FINANCIAL LIABILITIES

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Derivatives - Foreign Exchange Contracts	327.94	75.93
Total	327.94	75.93

22. OTHER CURRENT LIABILITIES

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Unclaimed Dividend	0.24	0.25
Other Payables*	4,937.40	792.17
Total	4,937.64	792.42

* Includes statutory dues and payable for expenses /services.

23. REVENUE FROM OPERATIONS

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Sale of Products	2,72,086.95	2,69,455.76
Sale of Services	568.66	195.91
Total	2,72,655.61	2,69,651.67

Note: The above includes net gain / (loss) on exchange fluctuation as mentioned in note no. 46

23.1 PARTICULARS OF SALE OF PRODUCTS

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Diamonds	2,30,800.96	2,32,057.78
Jewellery	40,645.77	36,691.69
Power- Windmill	640.22	706.29
Total	2,72,086.95	2,69,455.76

24. OTHER INCOME

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Dividend Income	264.43	256.57
Miscellaneous Receipts	4.78	3.80
Fair Value Gain / (loss) on Investments	124.96	412.60
Insurance Claim Received	-	47.19
Interest on Sovereign Bond	0.16	0.16
Interest on Income Tax Refund	6.94	-
Service Tax Refund	34.78	50.86
Duty Benefit on import of machinery	41.39	29.90
Net gain/(loss) on sale of Investments	56.82	11.81
Share of profit / (loss) from Partnership firm	(0.53)	-
Net Gain/(loss) on foreign currency transactions and translation	424.07	-
Financial Guarantee Commission (Net)	147.21	42.21
Total	1,105.01	855.10

25. COST OF MATERIALS CONSUMED

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Stock at the Commencement	20,379.95	16,408.78
Purchases during the year	2,01,800.41	2,14,252.26
	2,22,180.36	2,30,661.04
Less : Stock at the Close	13,809.54	20,379.95
Total	2,08,370.82	2,10,281.09

25.1 COST OF MATERIALS CONSUMED

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Rough Diamonds	1,89,103.38	1,92,477.77
Others	19,267.44	17,803.32
Total	2,08,370.82	2,10,281.09

26. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS & FINISHED GOODS

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Variation in Stock of Work In Progress		
Stock at the Commencement	4,026.41	2,291.18
Less: Stock at the Close	3,961.15	4,026.41
A	65.26	(1,735.23)
Variation in Stock of Finished Goods		
Stock at the Commencement	31,786.17	21,766.36
Less: Stock at the Close	30,712.18	31,786.17
B	1,073.99	(10,019.81)
Total A+B	1,139.25	(11,755.04)

27. EMPLOYEE'S BENEFITS EXPENSE

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Salary & Bonus	3,772.98	3,276.14
Director's Remuneration	600.00	600.00
Wages	871.16	722.05
Gratuity	203.63	97.88
Ex Gratia & Leave Encashment	155.21	151.82
Labour Welfare Fund Expenses	0.70	0.69
Contribution to Provident Fund	214.17	218.83
Group Health Insurance Premium	28.03	2.34
Contribution to E.S.I.C.	50.13	35.56
Staff Welfare Expenses	20.28	16.59
Total	5,916.29	5,121.90

28. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Interest Expense	2,289.97	2,088.98
Other borrowing costs	342.68	356.37
Other Interest *	0.09	0.36
Total	2,632.74	2,445.71

* Includes interest on late payment of Service Tax.

29. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2017-2018		2016-2017	
Manufacturing Expenses				
Processing Expenses	23,377.13		17,863.68	
Electricity, Power & Fuel	409.00		414.99	
Promotion Fund Expenses on Import	19.20		-	
Consumables	245.49		205.65	
Factory Expenses	124.56		88.23	
		24,175.38		18,572.55
Administrative / Selling & Distribution Expenses				
Bank Commission & Charges	261.10		231.44	
Electrical Charges	82.69		134.05	
Telephone, Internet and Fax Charges	103.47		86.73	
Local Travelling and Conveyance	80.71		74.17	
Legal & Professional fees	237.34		292.54	
Audit Fees	8.00		12.04	
Printing & Stationery	52.63		49.83	
Repairs & Maintenance (Other)	263.70		181.05	
Repairs & Maintenance (Building)	58.89		29.18	
Repairs & Maintenance (Plant & Machinery)	101.50		167.34	
Repairs & Maintenance (Windmill)	194.57		220.95	
Postage and Courier	82.47		79.35	
Rates & Taxes	29.89		29.61	
Motor Car Expenses	65.40		62.31	
Provision for Doubtful Debts	58.12		-	
Bad Debts (net of Recovery)	355.24		438.96	
Insurance Premium	127.03		140.90	
Rent & Compensation	193.19		199.37	
Donation	19.96		33.65	
CSR Expenditure	60.19		104.90	
Office Canteen Expenses	84.01		82.25	
Office Expenses	20.18		18.94	
Director's Sitting Fees	1.21		1.49	
Sundry Expenses	55.89		103.82	
Security Charges	70.20		62.43	
Registration & Filing Charges	0.69		0.76	
Membership and Subscription	19.35		22.44	
Advertisement	46.60		44.89	
Sales Expenses	184.44		95.88	
Entertainment Expenses	81.75		60.34	
Foreign Travelling	188.73		138.30	
Commission on Sales	380.91		227.68	
Re-Assortment Charges	23.73		19.28	
Freight & Clearing Charges	189.81		177.42	
Agency Charges	28.96		22.57	
E.C.G.C. Premium	159.52		178.15	
Diamond Grading Charges	1,130.01		847.96	
Packing Expenses	49.42		46.75	
		5,151.50		4,719.72
Total		29,326.88		23,292.27

30. EXCEPTIONAL ITEMS

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Net gain/(loss) on sale of Fixed Assets	(489.40)	(44.15)
Total	(489.40)	(44.15)

31. DURING THE YEAR, COMPANY HAS RECOGNIZED THE FOLLOWING AMOUNTS IN THE FINANCIAL STATEMENTS**a) Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under:

PARTICULARS	(Rs. in Lacs)
Employers Contribution to Provident Fund & Family Pension Fund	214.17
Employers Contribution to Employees State Insurance Scheme	50.13
Employers Contribution to Labour Welfare Fund	0.70

b) Defined Benefit Plan:Defined benefits plan as per actuarial valuation as on 31st March, 2018 and recognized in the financial statement in respect of Employee Benefits Scheme:

(Rs. in Lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
I) Assumptions	(%)
a) Expected Return on Plan Assets	7.85 %
b) Rate of Discounting	7.85 %
c) Rate of Salary Increase	5.00 %
d) Rate of Employee Turnover	2.00 %
II) Change in Present value of Projected Benefit Obligation	
a) Present value of benefit obligation at beginning of the year	1,109.26
b) Current + past Service Cost	168.98
c) Interest Cost	81.42
d) Benefit paid from the fund	(369.55)
e) Actuarial (gain)/loss on obligation	17.51
f) Present value of obligation as at end of the year	1,007.62
III) Change in fair value of Plan Assets	
a) Fair value of the Plan Assets at the beginning of the year	637.14
b) Interest Income	46.77
c) Contributions by the Employer	221.38
d) Benefit paid from the fund	(369.55)
e) Return on Plan Assets, excluding Interest Income	(6.78)
f) Fair value of Plan Assets at the end of the year	528.95
IV) Amount Recognized in the Balance Sheet	
a) Present value of benefit obligation at the end of the year	(1,007.62)
b) Fair Value of Plan Assets at the end of the year	528.95
c) Funded Status (Surplus)/(Deficit)	(478.67)
d) Net Liability / Asset recognized in the Balance Sheet	(478.67)
V) Expenses Recognized in the Statement of Profit & Loss	
a) Net Interest Cost	34.65
b) Current + Past Service Cost	168.98
c) Expenses recognized in Profit & Loss Statement	203.63

(Rs. in Lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
VI) Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period	
a) Actuarial (Gains)/Losses on Obligation for the period	17.51
b) Return on Plan Assets, excluding Interest Income	6.78
c) Net (Income)/Expense for the period Recognized in OCI	24.30
VII) Sensivity Analysis	
Projected Benefit Obligation on Current Assumptions	1,007.62
Delta effect of +1% change in rate of Discounting	(86.97)
Delta effect of -1% change in rate of Discounting	101.33
Delta effect of +1% change in rate of Salary Increase	81.62
Delta effect of -1% change in rate of Salary Increase	(72.66)
Delta effect of +1% change in rate of Employee Turnover	31.93
Delta effect of -1% change in rate of Employee Turnover	(35.72)

32. Events after the reporting period

The Board of Directors have recommended dividend of Rs. 1.50 per fully paid up equity share of Rs. 10/- each, aggregating to Rs. 290.94 lacs including Rs. 50.84 lacs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding on the record date / book closure.

33. Taxation

Income tax recognized in statement of profit and loss:

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Current tax	1,964.57	2,275.74
Deferred tax	(366.86)	(21.49)
Income tax expense recognised in statement of profit and loss	1,597.71	2,254.25

The income tax expenses for the year can be reconciled to the accounting profit as follows:

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Profit before tax	5,650.70	6,746.82
Applicable tax rate	34.608%	34.608%
Computed Tax Expense	1,955.59	2,334.94
Tax effect of:		
Exempted income	(159.42)	(187.03)
Expenses disallowed	649.34	787.30
Additional allowances	(534.43)	(703.53)
Others	53.49	44.06
Current Tax Provision (A)	1,964.57	2,275.74
Decremental Deferred tax Liability on account of Tangible Assets	(355.87)	(23.00)
Incremental/ (Decremental) Deferred tax Liability on account of other items	(10.99)	1.51
Deferred Tax Provision (B)	(366.86)	(21.49)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	1,597.71	2,254.25
Effective Tax Rate	28.275%	33.412%

34. RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH, 2018:

(i) List of Related Parties and Relationships:

(A) Particulars of Enterprises controlled by the Company	Relationship
Name of Related Party Asian Star Company Ltd. - (U.S.A.)	Wholly owned Subsidiary
Asian Star DMCC	Wholly owned Subsidiary
Asian Star Jewels Pvt. Ltd.	Wholly owned Subsidiary
Asian Star Trading (Hong Kong) Ltd.	Wholly owned Subsidiary
(B) Particulars of Key Management Personnel	Relationship
Name of Related Party Dinesh T. Shah	Chairman & CFO
Vipul P. Shah	CEO & Managing Director
Dharmesh D. Shah	Director
Arvind T. Shah	Executive Director
Priyanshu A. Shah	Executive Director
Rahil V. Shah	Executive Director
(C) Particulars of Enterprises Under Common control of the Key Management Personnel	
Personnel Jewel Art Asian Star Diamonds International Pvt. Ltd. Shah Manufacturers Rahil Agencies A'Star Exports	
(D) Particulars of Relatives of Key Management Personnel where there are transactions Arvind T. Shah – HUF Himanshu A. Shah Pooja P. Shah Sujata V. Shah Rasila A. Shah Dhwani R. Shah Urvi D. Shah Sweta D. Shah Gemasia B.V.B.A. (Relative of director has a significant influence) A M Exports (Relative of director has a significant influence)	

ii) Transactions during the year with Related Parties:

(Rs. in Lacs)

Particulars	Name of the Party	2017-18		2016-17	
		Volume	Amount Outstanding as on 31.03.2018	Volume	Amount Outstanding as on 31.03.2017
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	15,168.44	4,399.87	14,403.40	3,433.30
	Asian Star Jewels Pvt. Ltd.	6,072.00	2,938.43	63,540.78	2,125.17
	Jewel Art (Unit-II)	104.49	-	214.90	212.87
	Gemasia B.V.B.A.	4,615.14	2,574.25	11,188.82	3,046.34
	A.M.Exports	-	-	669.42	-
Purchase of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	-	-	38.45	-
	Asian Star DMCC	6,433.94	5,861.75	-	-
	Gemasia B.V.B.A.	1,045.34	-	5,730.00	1,324.90
	A.M.Exports	3,858.20	841.92	3,610.08	561.10
Dividend Received	Asian Star DMCC	248.02	-	242.84	-
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	-	178.75	-	178.75
	Asian Star Trading (Hong Kong) Ltd.	-	103.58	-	204.76
	Asian Star DMCC	-	62.23	-	62.23
	Asian Star Jewels Pvt. Ltd.	-	130.67	-	120.80
Bank Guarantees given	Asian Star Trading (Hong Kong) Ltd.	2,629.88	15,597.60	-	12,967.72
	Asian Star DMCC	6,514.14	12,998.00	-	6,483.86
	Asian Star Jewels Pvt. Ltd.	-	4,300.00	-	4,300.00
Loan Repaid by Subsidiary	Asian Star Jewels Pvt. Ltd.	150.41	255.00	-	405.41
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	10.16	-	7.80	-
Sale of Colour Stone	Asian Star Jewels Pvt. Ltd.	0.95	-	0.12	-
Directors' Remuneration	Dinesh T. Shah	125.00	-	125.00	-
	Arvind T. Shah	125.00	-	125.00	-
	Vipul P. Shah	175.00	-	175.00	-
	Priyanshu A. Shah	100.00	-	100.00	-
	Rahil V. Shah	75.00	-	75.00	-
Rent Paid	Dinesh T. Shah	0.96	-	0.96	-
	Arvind T. Shah	0.96	-	0.96	-
	Dharmesh D. Shah	0.72	-	0.72	-
	Vipul P. Shah	0.96	-	0.96	-
	Jewel Art	47.49	-	-	-
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	-	30.00	-	30.00
	Arvind T. Shah	-	30.00	-	30.00
	Dharmesh D. Shah	-	20.00	-	20.00
	Vipul P. Shah	-	30.00	-	30.00
Unsecured Loans Taken/(Repaid) -(Net)	Dinesh T. Shah	1,100.00	2,856.00	1,300.00	1,756.00
	Arvind T. Shah	(70.00)	162.80	167.00	232.80
	Dharmesh D. Shah	(135.00)	943.00	(285.00)	1,078.00
	Vipul P. Shah	1,676.00	4,647.00	107.00	2,971.00
	Priyanshu A. Shah	(27.00)	397.00	(65.00)	424.00
Contract for Processing of Diamonds	Shah Manufacturers	9,426.29	1,198.03	4,505.18	287.25

[Rs. in Lacs]

Particulars	Name of the Party	2017-18		2016-17	
		Volume	Amount Outstanding as on 31.03.2018	Volume	Amount Outstanding as on 31.03.2017
Sale of Jewellery / Sale of Services	Arvind T Shah	-	-	39.16	-
	Dharmesh D Shah	-	-	6.69	-
	Priyanshu A Shah	-	-	17.44	-
	Rahil V Shah	0.77	0.77	3.88	-
	Arvind T Shah - HUF	-	-	0.53	-
	Himanshu A Shah	-	-	84.60	19.60
	Pooja P Shah	-	-	33.68	-
	Sujata V Shah	0.94	-	1.26	-
	Rasila A Shah	-	-	1.52	-
	Dhwani R Shah	-	-	4.79	-
	Urvi D Shah	-	-	1.28	-
Purchase of Raw Gold	Arvind T Shah	-	-	39.07	-
	Priyanshu A Shah	-	-	0.66	-
	Arvind T Shah - HUF	-	-	1.37	-
	Pooja P Shah	-	-	8.16	-
	Rasila A Shah	-	-	9.08	-
Sale of Machinery	Shah Manufacturers	270.01	-	-	-
	Jewel Art	274.41	-	-	-
Purchase of Assets	Jewel Art	291.84	291.84	-	-
	A*Star Exports	9.01	-	-	-

Note: 1. Sale includes VAT/GST.

2. Increase / decrease in value of Investment is on account of fair valuation of guarantee given.

35. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

During the year the Company has invested in Joint venture, Rananjali LLP. The Company's interest in the said LLP is of 45 % share in Profit / Loss of the LLP. The Company has only right over the net assets of the Entity. The net asset is calculated using Equity method of accounting. Joint venture entity of the company is individually not material.

Analysis of the Company's Investment in Joint Venture :

[Rs. in Lacs]

PARTICULARS	AMOUNT
Investments as on 01-04-2017	Nil
Addition during the year	2,224.59
Share of Profit / (loss) (to the extent of Company's share in the joint venture)	(0.52)
Balance as on 31-03-2018	2,224.07

The joint ventures have no significant contingent liabilities to which the Company is exposed, and the Company has no significant contingent liabilities in relation to its interest in the joint ventures. The risks associated with the Company's interest in joint ventures are the same as those identified for the Company.

36. CORPORATE SOCIAL RESPONSIBILITY (CSR)

a) Gross amount required to be spent during the year : Rs. 119.93 lacs

b) Amount spent during the year:

[Rs. in Lacs]

SR. NO.	PARTICULARS	IN CASH	YET TO BE PAID IN CASH	TOTAL
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than above	60.19	-	60.19

37. a) The Company has given guarantee of Rs 328.96 crores (For F.Y. 2016-17 it was Rs. 237.52 crores) to Banks for facilities availed by its subsidiary companies.

b) The Company has disputed service tax liability of Rs.4.46 crores (For F.Y. 2016-17 it was Rs. 4.46 crores).

c) The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2016-17 it was Rs. 3.32 crores) in respect of Customs duty raised by Commissioner of Customs.

The Company is of the opinion that the demand raised by Service Tax Department & Commissioner of Customs is not tenable and has made appropriate submission to the departments. The Company has received stay order from Gujarat High Court against the demand of Custom Duty. The same shall be charged to Profit & Loss statement, if required, on disposal of the matter.

38. The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the information available with the Company are as under:

SR. NO.	PARTICULARS	AS AT 31 ST MARCH, 2018	AS AT 31 ST MARCH, 2017
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-

39. PAYMENT TO AUDITORS

[Rs. in Lacs]

PARTICULARS	2017-2018	2016-2017
Statutory Audit	8.00	11.51
Others	Nil	12.73
TOTAL	8.00	24.24

40. EARNING PER SHARE

[Rs. in Lacs]

PARTICULARS	2017-2018	2016-2017
Profit After Tax (Rs. In lacs)	3,563.59	4,448.43
Number Of Equity Shares	1,60,06,800	1,60,06,800
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share (Basic) (Rs.)	22.26	27.79

[Rs. in Lacs]

SR. NO.	PARTICULARS	2017-2018	2016-2017
41.	Value of imported and indigenous consumption – Raw Material		
	• Imported Raw material	1,21,090.87	1,38,019.79
		58.11%	65.64%
	• Indigenous Raw material	87,279.95	72,261.30
		41.89%	34.36%
	TOTAL	2,08,370.82	2,10,281.09
42.	Finance Cost charged to Profit & Loss Statement is net of Interest received	1,038.05	1,201.47
43.	Value of Import on CIF Basis Raw Materials	1,07,986.90	1,39,456.31
44.	Expenditure in Foreign Currency		
	Foreign Travelling	16.91	8.61
	Repairs & Maintenance	11.57	16.73
	Advertisement	7.05	9.27
	Membership & Subscription	15.41	13.36
	Consumables	5.30	Nil
	Display Material	1.63	Nil
	Legal & Professional fees	6.49	Nil
	Entertainment Expenses	16.29	Nil
	Diamond Grading Charges	1.64	Nil
45.	Earning in Foreign Exchanges		
	FOB value of Exports	1,57,601.38	1,79,960.96
46.	Net Gain/(Loss) on Exchange Fluctuation as included in total Revenue from operations & purchases reflected in the Profit & Loss Statement:		
	- Revenue from operations	30,037.04	11,414.06
	- Purchases	(9,287.44)	(1,783.58)
47.	Breakup of remuneration paid to Managing / Whole time Directors		
	a. Salary	600.00	600.00
	b. Contribution to Provident & Other Fund	0.22	0.22
	The Company has been advised that the computation of net profit pursuant to section 198 of the Companies Act, 2013 need not be enumerated since no commission has been paid to directors.		

48. FINANCIAL INSTRUMENTS DISCLOSURE**FINANCIAL ASSETS**

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
NON-CURRENT		
Investments – At cost (refer note 2)		
Unquoted, fully paid up In Equity Shares of wholly Owned Subsidiary Companies		
Asian Star Co. Ltd.	178.75	178.75
Asian Star DMCC	62.23	62.23
Asian Star Jewels Pvt. Ltd.	130.67	120.81
Asian Star Trading (Hongkong) Ltd.	103.58	204.76
Aggregate fair value of unquoted investments	475.23	566.55
Aggregate book value of unquoted investments	348.16	348.16
Gain / (Loss) on fair value recognised in P&L	-	-
Unquoted, fully paid up In Equity Shares of Other Companies Shares at Cost		
Indian Commodity Exchange Ltd.	1,675.00	1,675.00
Utkarsh Micro Finance Ltd.	117.00	-
Other Investments		
Rantnanjali Infra LLP (Partnership Firm)	2,224.06	-
Aggregate fair value of unquoted investments	4,016.06	1,675.00
Aggregate book value of unquoted investments	4,016.06	1,675.00
Gain / (Loss) on fair value recognised in P&L	-	-
Gain / (Loss) on fair value recognised in Retained earnings	-	-
Other Financial Assets	74.95	74.69
CURRENT		
i) Investments (refer note 6)		
At Fair Value through Profit and loss		
Classic Diamonds (India) Ltd.	0.01	0.01
Shrenuj & Co Ltd.	0.01	0.03
Winsome Diamonds & Jewellery Ltd.	0.01	0.01
Tribhovandas Bhimji Zaveri Ltd.	-	77.85
Ratnakar Bank Limited	-	138.38
Sovereign Gold Bond Scheme	23.31	5.83
Aarti Industries Ltd	130.04	58.96
Aegis Logistics Ltd	143.66	107.86
APL Apollo Tubes Ltd	104.11	61.09
Asian Oilfield Serv Ltd	35.18	-
Astec Lifescience Ltd	71.17	73.83
Aptech Limited	-	57.45
CCL Products Ltd	-	69.89
Dalmia Bharat Ltd	75.88	51.74
Deep Industries Ltd	-	86.48
Exide Industries Ltd	69.03	69.65
Greenlam Industries Ltd	-	40.07
Gujarat Heavy Chemicals Ltd	-	55.25
Indian Energy Exchange Limited	58.66	-
J.K.Tyre & Industries	64.67	-
KEI Industries Limited	71.38	-
HDFC Bank Ltd	171.65	100.74
Manapuram Finance Ltd	-	89.79
Maruti Suzuki Ltd	167.20	93.98
Neuland Laboratories Ltd	-	96.73
ITD Cementation Ltd	-	66.90

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Navin Fluorine International Limited	92.51	73.05
Radio City Ltd	62.37	-
SP Appareals Ltd	-	57.24
Shilpa Medicare Limited	60.65	-
Voltas Limited	56.35	-
Ashok Leyland Limited	58.15	-
BASF India Limited	62.33	-
Escorts Ltd	32.72	-
Info Edge India Limited	47.55	-
L&T Finance Holdings Ltd	47.15	-
Piramal Enterprises Ltd	63.68	-
Tata Elexi Ltd	43.83	-
Ujjivan Fin Serv Ltd	51.84	-
United Spirits Ltd	62.51	-
Varun Beverages Ltd	55.57	-
Asian Paints Ltd	3.35	-
Bajaj Finance Limited	4.97	-
Bajaj Finserv Limited	3.72	-
Britania Industries Ltd	4.13	-
Eicher Motors Limited	3.40	-
Gruh Finance Limited	4.49	-
Havells India Limited	3.48	-
HDFC Bank Limited	4.71	-
HDFC Life Insurance Co Limited	1.65	-
Hind Petro Corp Limited	3.25	-
Indusind Bank Limited	4.61	-
Kaveri Seed Co.Limited	2.56	-
Maruti Suzuki Limited	3.63	-
Motherson Sumi Limited	3.79	-
MRF Limited	4.34	-
NBCC India Limited	2.82	-
P I Industries Limited	3.68	-
Peronet LNG Ltd	2.74	-
Ramco Cements Limited	2.60	-
Supreme Industries Limited	3.77	-
AIA Engineering Limited	1.31	-
Bajaj Finance Ltd	5.06	-
Bajaj Finserv Ltd	5.23	-
Balkrishna Industries Limited	4.25	-
Greenlam Industries Limited	3.59	-
Gujrat Gas Limited	4.36	-
Hind Petro Corp Limited	3.82	-
JK Paper Limited	2.58	-
Mas Fin Serv Limited	3.50	-
Minda India Limited	4.00	-
Motherson Sumi S Limited	4.44	-
Nilkamal Limited	2.87	-
Relaxo Footware Limited	4.44	-
Siyaram Silk Mills Limited	3.00	-
Sundaram Finance Limited	4.09	-

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Symphony Limited	2.02	-
Tasty Bite Eatables Limited	0.67	-
Timken India Limited	3.52	-
Vardhman Textiles Ltd	3.93	-
Aegis Logistics Limited	6.22	-
Atkem Lab Limited	4.00	-
Au Small Fin Bank	5.85	-
Bayer Cropscience Limited	1.52	-
Birla Corporation Limited	5.95	-
Blue Star Limited	3.87	-
Canfin Homes Limited	4.83	-
Development Credit Bank Limited	7.52	-
Dhanuka Agritech Ltd	1.84	-
Dishman Carbigen Ltd	3.37	-
Dr Lal path Limited	2.79	-
Gabriel India Limited	3.71	-
Glaxo Smithline Limited	0.73	-
IIFL Holdings Limited	2.51	-
ITD Cement India Limited	2.66	-
Kajaria Ceramics Limited	3.90	-
Laxmi Vilas Bank Limited	2.97	-
Mahanagar Gas Limited	4.42	-
Quess Corp Limited	7.29	-
Suprajit Engg Limited	1.78	-
TTK Prestige Limited	4.14	-
Reliance Liquid Fund Direct -G	23.63	-
HDFC Small Cap Fund -Direct Growth Plan	72.32	-
Kotak Select Focus Fund-Direct Plan Growth	72.26	-
Motilal Oswal Most Focused Multicap35 Fund	98.71	-
Reliance Liquid Fund- Mutual Fund	1.07	0.08
Aggregate fair value of quoted investments	2,471.45	1,532.90
Aggregate book value of quoted investments	2,346.49	1,120.30
Gain / (Loss) on fair value recognised in P&L	124.96	412.60
ii) Trade Receivables - At amortised cost	74,445.22	63,842.75
iii) Cash and Cash Equivalents (refer note 8)		
Balances with Banks in Current accounts	4,172.79	2,658.25
Fixed Deposits with Banks	6,897.73	6,535.49
Cash on hand	17.58	22.30
iv) Other Bank Balances (refer note 9)	9,522.82	8,581.96
iv) Loans & Advances (refer note 10)		
Loans (Considered good unless otherwise stated) (refer note 3)		
At Amortised Cost		
Loans to related parties	255.00	370.42
Unsecured, considered good - At amortised cost	4,008.58	1,697.20
v) Other Financial Assets (refer note 11)		
Derivatives - Foreign Exchange Contracts -At FVTPL	244.39	3,553.67
Total Financial Assets	1,06,601.82	1,45,793.16

FINANCIAL LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT	
	MARCH 31, 2018	MARCH 31, 2017
NON-CURRENT		
Borrowings (refer note 16)		
At Amortised cost		
Loans from related parties-directors	2,253.86	2,500.00
CURRENT		
i) Borrowings (refer note 21)		
At Amortised cost		
Secured working Capital Loan from Banks	67,630.80	71,446.10
Loans from related parties-directors	6,505.80	3,961.80
ii) Trade Payables (refer note 22)		
At Amortised Cost		
Creditors for Goods	25,568.00	26,081.60
Creditors for Processing	1,937.52	1,694.51
iii) Other Financial Liabilities- At FVTPL (refer note 23)		
Derivatives Foreign Exchange contracts	327.94	75.93
Total Financial Liabilities	1,04,223.92	1,05,759.95

FINANCIAL INSTRUMENTS BY CATEGORY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018			AS AT MARCH 31, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
FINANCIAL ASSETS						
Non-Current						
Investments	4,491.29	-	-	2,241.55	-	-
Other Financial Assets	-	-	74.95	-	-	74.69
Current						
Investments	2,471.45	-	-	1,532.90	-	-
Trade Receivables	-	-	74,445.22	-	-	63,842.75
Cash and Cash Equivalents	11,088.11	-	-	9,216.03	-	-
Other Bank balances	9,522.82	-	-	8,581.96	-	-
Loans						
To Others	-	-	4,008.58	-	-	1,697.21
to related parties	-	-	255.00	-	-	370.42
Derivatives -	244.39	-	-	3,553.67	-	-
Foreign Exchange Contracts						
FINANCIAL LIABILITIES						
Non-Current						
Borrowings	-	-	2,253.86	-	-	2,500.00
Current						
Borrowings	-	-	74,136.60	-	-	75,407.90
Trade Payables	-	-	2,750.55	-	-	27,776.12
Derivatives -	327.94	-	-	75.93	-	-
Foreign Exchange Contracts						

Note: For Financial assets and financial liabilities that are measured at Fair Value, the carrying amounts are equal to their fair values

FAIR VALUE RELATED DISCLOSURES:

Fair Value measurement:

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or market for the asset or liability the principal or the most advantageous market must be accessible by Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation Techniques and Inputs used

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses, if any, of these receivables.
- The fair values of the quoted equity shares are based on price quotations at the reporting date (Level 1 inputs).
- The Company enters into derivative financial instruments in the form of Foreign exchange Forwards & Options contracts. The counterparties of these contracts are Banks. These derivatives constitute hedge from an economic perspective and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly in the revenue from Sale of products or purchases in the Statement of Profit and Loss. Foreign exchange forward and Option contracts are valued using valuation techniques, which employ the use of market observable inputs. The valuation technique applied is the use of "quoted prices in active markets".
- The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Comparison by class of the carrying amounts and fair value of Financial Instruments

The management assessed that for all Financial Assets and Financial Liabilities, the carrying amounts are equal to the fair value.

FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities: (Rs. in Lacs)

PARTICULARS	Date of Valuation	Total	Fair Value measurement using		
			Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Assets measured at fair value (Note No. 2,6,8,9,11)					
Investments					
Non-Current	31.03.18	4,491.29	475.23	4,016.06	-
Current	31.03.18	2,471.45	2,471.45	-	-
Cash and Cash Equivalents	31.03.18	11,088.11	11,088.11	-	-
Other Bank Balances	31.03.18	9,522.82	9,522.82	-	-
Derivatives - Foreign Exchange Contracts	31.03.18	244.39	2,44.39	-	-
Assets for which fair values are disclosed (Note No. 3,7,10)					
Loans (current)					
to others	31.03.18	4,008.58	-	4,008.58	-
to related parties	31.03.18	255.00	-	255.00	-
Other Financial Assets	31.03.18	74.95	-	74.95	-
Trade Receivables	31.03.18	74,445.22	-	74,445.22	-
Liabilities measured at fair value (Note No. 21)					
Derivatives - Foreign Exchange Contracts	31.03.18	327.94	327.94	-	-
Liabilities for which fair values are disclosed (Note No. 14,19,20)					
Borrowings					
Non-Current	31.03.18	2,253.86	-	2,253.86	-
Current	31.03.18	74,136.60	-	74,136.60	-
Trade Payables	31.03.18	27,505.52	-	27,505.52	-

(Rs. in Lacs)

PARTICULARS	Date of Valuation	Total	Fair Value measurement using		
			Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Assets measured at fair value (Note No. 2,6,8,9,11):					
Investments					
Non-Current	31.03.17	2,241.55	566.55	1,675.00	-
Current	31.03.17	1,532.90	1,532.90	-	-
Cash and Cash Equivalents	31.03.17	9,216.03	9,216.03	-	-
Other Bank Balances	31.03.17	8,581.96	8,581.96	-	-
Derivatives - Foreign Exchange Contracts	31.03.17	3,553.67	3,553.67	-	-
Assets for which fair values are disclosed (Note No. 3,7,10):					
Loans (current)					
to others	31.03.17	1,697.21	-	1,697.21	-
to related parties	31.03.17	370.42	-	370.42	-
Other Financial Assets	31.03.17	74.69	-	74.69	-
Trade Receivables	31.03.17	63,842.75	-	63,842.75	-
Liabilities measured at fair value (Note No.21):					
Derivatives - Foreign Exchange Contracts	31.03.17	75.93	75.93	-	-
Liabilities for which fair values are disclosed (Note No. 14,19,20,21):					
Borrowings					
Non-Current	31.03.17	2,500.00	-	2,500.00	-
Current	31.03.17	75,407.90	-	75,407.90	-
Trade Payables	31.03.17	27,776.12	-	27,776.12	-

Note 1. Trade Receivables and Trade Payables have been measured at amortised cost but for the purpose of disclosing their fair value related information as per IndAS 113.97, they have been categorised into Level 1 because their carrying values are approximately same as their level 1 based fair value (based on observable market inputs).

Note 2. Borrowings and Loans have been measured at amortised cost but for the purpose of disclosing their fair value related information as per IndAS 113.97, they have been categorised into Level 2 (as per IndAS 113.82) because they have a specified (contractual) term and the inputs are based on quoted prices for similar assets or liabilities in active markets or based on market-corroborated inputs.

Note 3. Other Financial assets have been measured at amortised cost but for the purpose of disclosing their fair value related information as per IndAS 113.97, they have been categorised into Level 1 because their carrying values would be the same as fair value or transaction price.

Other Fair Value related Disclosures

Recurring / non-recurring classification of fair value:

All fair value measurements for the period ended 31/3/2018 are recurring in nature and there are no Non-recurring fair value measurements of assets or liabilities in these periods.

Level 3 inputs related disclosure

There are no recurring fair value measurements using significant unobservable inputs (Level 3) in the reporting periods and hence there is no effect of the measurements on profit or loss or other comprehensive income for the period.

Transfers between Level 1 and Level 2

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy for all assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Change in Valuation techniques, if any

There has been no change in the valuation techniques in the reporting periods.

Financial risk factors

The Company is exposed to a variety of financial risks such as credit risk, liquidity risk and market risk.

Financial risk management is carried out by a finance committee under policies approved and delegated by the Board of Directors. The Board provides written principles for risk management.

The following table outlines the sources and exposure to risks and how the company manages these risks:

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade and other receivables, loans and advances, customer deposits, financial instruments and deposits with banks and financial institutions	Ageing Analysis, Calculation of ECL, Concentration of credit	Ageing Analysis, Credit Ratings, Provision Matrix
Liquidity Risk	Borrowings, interest thereon, trade and other payables	Cash flows measurement	Short Term and Long Term Cash forecasts
Market Risk-Interest rate risk	Variable and Fixed rate borrowings	Sensitivity Analysis	Monitoring of Interest rates
Market Risk- foreign currency risk	Foreign currency transactions	Sensitivity Analysis	Hedging by derivative contracts

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

The Company periodically assesses the financial reliability of customers / corporates taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable and loans receivable. These include customers / corporates, which have high credit-ratings assigned by international and domestic credit-rating agencies. Individual risk limits are set accordingly.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers.

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as at 31 March 2018. Of the total trade receivables, Rs.67,492 lacs as at March 31, 2018 and Rs. 59,257 lacs as at March 31, 2017 consisted of customer balances that were neither past due nor impaired. The Company's Credit risk management policies include categorizing the loans and trade receivables based on estimates of Probability of Default and calculation of Expected Credit Losses (ECL).

Loans and advances include loans given to staff Rs. 22 lacs as at March 31, 2018 and Rs. 27 lacs as at March 31, 2017 which the company perceives no impairment loss to be provided for.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 20 - 180 days. The ageing of trade receivables that are past due but not impaired is given below: (Rs. in Lacs)

PERIOD IN DAYS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
1-90	4,437.30	3,450.16
91-180	1,712.35	153.01
More than 180	745.65	982.30
Total	6,895.30	4,585.47

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company finances its operations by a combination of retained profits, disposals of assets, bank borrowings, etc. Liquidity risk is managed by short-term and long-term cash flow forecasts.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2018: (Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
Maturity analysis for Non-Derivative Financial liabilities:				
Borrowings	16,556.97	46,878.75	10,700.88	2,253.86
Interest on Borrowings	30.34	-	-	-
Trade payables	13,237.60	14,189.26	77.09	1.56
Maturity analysis for Derivative Financial Liabilities:				
Net settled derivative contracts – Financial Assets	192.20	35.59	16.59	0.01
Net settled derivative contracts – Financial Liabilities:	11.29	51.49	111.00	154.15

Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2017: (Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
Maturity analysis for Non-Derivative Financial liabilities:				
Borrowings	21,074.04	39,993.36	14,340.76	2,500.00
Interest on Borrowings	20.06	-	-	-
Trade payables	20,443.05	7,133.96	195.04	4.07
Maturity analysis for Derivative Financial Liabilities:				
Net settled derivative contracts – Financial Assets	3,499.41	-	-	54.26
Net settled derivative contracts – Financial Liabilities:	1.42	73.80	-	0.71

Market Risk

Market risks include Interest Rate Risk and foreign Currency Risk. There are no identifiable Commodity Price Risks or Equity Price Risks foreseen in the current reporting period.

Interest Rate Risk

The Company is mainly exposed to the interest rate risk due to its variable and fixed rate domestic and foreign borrowings. The interest rate risk arises due to uncertainties about the future market interest rate on these borrowings.

Foreign Exchange Risk

The Company is exposed to foreign exchange risk principally via:

- transactional exposure that arises from the sales / receivables denominated in a currency other than the functional currency of the Company
- transactional exposure that arises from the cost of goods sold / payables denominated in a currency other than the functional currency of the Company.
- Foreign currency exposure that arises from foreign currency term loans / Working Capital loans (including interest payable) denominated in a currency other than the functional currency of the Company.

Commodity Risk

The Company is exposed to the commodity rate risk due to uncertainties in availability of Gold and silver for its jewellery operations. Forward contracts for Sale of Gold entered into by the Company and outstanding as on 31st March, 2018 covers 93 Kgs and for purchase of silver covers 30 Kgs. (For F.Y. 2016- 17 it was for Sale of Gold 63 Kgs and for Purchase of Silver -Nil). Sensitivity analysis for commodity risk is not done as it is not material.

Sensitivity analysis

The sensitivity analysis reflects the impact on income and equity due to financial instruments held at the balance sheet date. It does not reflect any change in sales or costs that may result from changing interest or exchange rates.

Interest rate risk

Exposure of borrowings/(Interest-rate related derivatives, if any) related to interest rate changes:

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Variable rate borrowings		
Bank Loan in Rs. in lacs	14,085.45	-
Bank Loan \$ in million	82.32	110.19

Interest rate risk sensitivity

This indicates the sensitivity to a reasonably possible change in interest rate on borrowings: (Rs. in Lacs)

IMPACT ON PROFIT & LOSS	31.03.2018	31.03.2017
For \$ Borrowings		
Increase in Interest rate - 50 basis points p.a.	(268)	(357)
Decrease in Interest rate - 50 basis points p.a.	268	357
For Rs. Borrowings		
Increase in Interest rate - 75 basis points p.a.	(106)	-
Decrease in Interest rate - 75 basis points p.a.	106	-

Foreign Currency risk

Following table shows foreign currency exposure in US \$ at the end of the reporting period: (\$ in million)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Financial Assets		
Trade Receivables	94.91	89.13
Cash and Cash Equivalents	0.41	0.05
Derivatives Option contracts (Net)	-	20.00
Financial Liabilities		
Borrowings	82.32	110.19
Trade payables	38.08	24.21
Derivatives Forward contracts (Net)	95.62	639.15

Foreign currency risk sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax: (Rs. in Lacs)

Particulars	31.03.2018	31.03.2017
USD-INR Increase by 1%	(785)	(4,308)
USD-INR decrease by 1%	785	4,308

49. Capital Management

The Company's objectives when managing capital (defined as net debt plus equity) are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and the strategic objectives of the Company. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, buy back shares and cancel them, or issue new shares. The Company finances its operations by a combination of retained profit, bank borrowings, loan from directors, disposals of property assets, etc. The Company borrows uses borrowing facilities to meet the Company's business requirements of each local business.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt. The capital gearing ratio as on 31st March, 2018 and 31st March, 2017 was 53% and 55%, respectively.

50. Collaterals

The Company has obtained working capital loan from banks which are secured by:

- Fixed deposits – Value Rs. 14,368 lacs
- Hypothecation of Stock in trade and Trade receivables – Value Rs. 122,961 lacs.
- Mortgage of premises at Mumbai & Surat – Value Rs. 15,371 lacs.

Defaults

For loans payable recognised at the end of the reporting period, there have been no defaults of non-payment of loan by the company.

51. Investment Property

As on 31/3/2017, the Company had transferred one property from "owner-occupied property" to investment property in accordance with IndAS 40. The accounting policy adopted by the Company for measuring this property is the cost model as prescribed in IndAS 40. There are no direct operating expenses or rental income from this property in the current reporting period. There are no restrictions on the realisability of this property or the remittance of income and proceeds of disposal nor any contractual obligations to purchase, construct or develop investment property or for repairs,

maintenance or enhancements.

Though the Company measures investment property using cost based measurement, the fair value of investment property as on 31.3.17 was Rs. 5,084 lacs. Fair values was determined based on evaluation performed by applying a valuation model by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. However, no significant change in the market value is observed, and management has decided to keep the fair valuation same as of 31.3.17.

52. The figures of previous year have been regrouped / reclassified wherever necessary and possible so as to confirm with the figures of the current year.

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

APARNA SHINDE
Company Secretary

Place : Mumbai
Dated : May 24, 2018

For and on behalf of the Board

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated : May 24, 2018

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated: June 8, 2018

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,

The Members of Asian Star Company Limited,

We have examined the accompanying consolidated financial statements of ASIAN STAR COMPANY LIMITED, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement and the Statement of changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2018, and their consolidated profit/loss and their consolidated cash flows for the year ended on

that date,

Other Matters

- a) We did not audit the financial statements / financial information of 3 subsidiaries, and NIL jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. 55,958 lacs as at March 31, 2018, total revenues of Rs. 140,247 Lacs and net cash flows amounting to Rs. 7,397 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. (0.53) Lacs for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of one associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, three directors of the holding company were disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act, due to non compliance of annual filing requirements in a private limited company where they hold directorship. However, at present they are qualified to be appointed as directors.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial

statements – Refer Note 39 to the financial statements.

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in respect of such items as it relates to the Group, its associates and jointly controlled entities and the Group's share of net profit/loss in respect of its associates.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FR No: 105765W

Place : Mumbai
Date : May 24, 2018

MAHENDRA DOSHI
PROPRIETOR
MEMBERSHIP NO. 41316

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting Asian Star Company Limited ("The Company"), as of March 31, 2018 in conjunction with our audit of consolidated financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide for a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: 1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the Inherent Limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FR No: 105765W

Place : Mumbai
Date : May 24, 2018

MAHENDRA DOSHI
PROPRIETOR
MEMBERSHIP NO. 41316

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
ASSETS			
Non-Current Assets			
a Property, Plant & Equipment	1	24,125.51	26,023.09
b Intangible Assets		1.46	2.93
c Investment Property		4,993.10	4,993.10
d Financial Assets			
i) Non Current Investments	2	4,016.06	1,675.00
ii) Long Term Loans and Advances	3	-	1,758.75
iii) Other Financial Assets	4	121.36	129.29
e Non Current Tax Assets	5	111.41	213.74
f Other Non-Current Assets	6	558.53	559.16
		33,927.43	35,355.06
Current Assets			
a Inventories	7	55,940.27	63,012.85
b Financial Assets :			
i) Current Investments	8	2,471.47	1,532.89
ii) Trade Receivables	9	92,421.45	86,152.78
iii) Cash and Cash Equivalents	10	30,152.49	20,854.81
iv) Other Bank Balances	11	10,332.08	8,645.21
iv) Loans and Advances	12	6,106.48	4,405.53
v) Other Financial Assets	13	251.46	3,604.33
		1,97,675.70	1,88,208.40
TOTAL		2,31,603.13	2,23,563.46
EQUITY AND LIABILITIES			
EQUITY			
a Share Capital	14	1,600.68	1,600.68
b Other Equity	15	96,759.73	82,397.42
		98,360.41	83,998.10
LIABILITIES			
Non-Current Liabilities			
a Financial Liabilities :			
i) Long-Term Borrowings	16	2,260.51	2,506.65
b Deferred Tax Liabilities (Net)	17	4,719.12	5,082.09
c Long-Term Provisions	18	838.33	910.88
d Other Non-Current Liabilities	19	780.66	588.03
		8,598.62	9,087.65
Current Liabilities			
a Financial Liabilities			
i) Short-Term Borrowings	20	82,175.88	95,275.36
ii) Trade Payables	21	22,837.45	33,700.50
ii) Other Financial Liabilities	22	337.98	75.93
b Short-Term Provisions	23	6.31	5.17
c Other Current Liabilities	24	19,286.48	1,420.75
		1,24,644.10	1,30,477.71
TOTAL		2,31,603.13	2,23,563.46
Significant Accounting Policies Notes on Financial Statements	1 to 49		

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

For and on behalf of the Board

APARNA SHINDE
Company Secretary

Place : Mumbai
Dated : May 24, 2018

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated : May 24, 2018

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : June 8, 2018

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

PARTICULARS	NOTE	2017-2018	2016-2017
Revenue From Operations	25	3,90,502.62	3,49,385.63
Other Income	26	823.08	717.18
Total Revenue		3,91,325.70	3,50,102.81
Expenses:			
Cost of Materials Consumed	27	2,07,345.72	2,15,920.23
Purchases of Stock-In-Trade		1,27,050.11	1,03,832.04
Changes In Inventories Of Finished Goods, Work-In-Progress & Stock-in-Trade	28	977.84	(14,445.43)
Employee Benefits Expense	29	7,291.77	6,541.49
Finance Costs	30	3,055.92	2,758.51
Depreciation and Amortization Expense		1,739.87	1,784.72
Other Expenses	31	30,696.09	24,666.27
Total Expenses		3,78,157.32	3,41,057.83
Profit Before Exceptional Items & Tax		13,168.38	9,044.98
Exceptional Items Income/(Loss)	32	(503.47)	(44.15)
Profit Before Tax		12,664.91	9,000.83
Tax expense			
Current Tax		2,109.12	2,417.73
Deferred Tax		(362.97)	(21.50)
Minority Interest		5.38	(8.44)
Profit After Tax		10,913.38	6,613.04
Other Comprehensive Income		(42.21)	(132.99)
Total Comprehensive Income		10,871.17	6,480.05
Earnings Per Equity Share:			
Basic and Diluted (In Rs.)		68.18	41.31
Significant Accounting Policies Notes on Financial Statements	1 to 49		

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

APARNA SHINDE
Company Secretary

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For and on behalf of the Board

DINESH T. SHAH
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Place : Mumbai
Dated : May 24, 2018

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : June 8, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018 (Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	12,664.91	9,000.83
Adjustment for		
Depreciation	1,739.87	1,784.72
Preliminary Expenses	0.08	0.10
Finance Costs	3,055.92	2,758.50
Unrealised Foreign Exchange (Gain) / Loss	44.31	(816.87)
Dividend Received	(16.40)	(13.74)
(Profit)/Loss on sale of fixed assets	503.47	44.15
(Profit)/Loss on sale of Investment	(56.29)	(11.81)
Diminution in value of Investment written off / (written back)	(124.96)	(412.60)
Dividend Paid	240.10	240.10
Tax on Dividend	50.24	50.24
Operating Profit Before Working Capital Changes	18,101.25	12,623.63
Adjustment for		
Receivables	(5,801.67)	(331.15)
Inventories	7,072.60	(18,274.74)
Loans & Advances	3,419.22	11,667.05
Current and Non Current Liabilities	6,890.74	2,925.00
Cash generated from / (used in) Operations	29,682.14	8,609.79
Taxation	(1,827.35)	(2,353.05)
Cash flow before Extraordinary Items	27,854.79	6,256.74
Net Cash from / (used in) Operating Activities	27,854.79	6,256.74
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (Includes Capital Work in Progress)	(772.78)	(3,174.03)
Sale of fixed assets	428.49	1,888.34
Purchase / Increase of Investments	(3,199.54)	(3,118.94)
Dividend Received	16.40	13.74
Sale/Decrease of Investments	101.18	-
Net Cash from / (used in) Investing Activities	(3,426.25)	(4,390.89)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	(246.14)	246.14
Short Term Borrowings	(13,369.57)	(14,720.51)
Increase in Minority Interest due to Introduction of Capital	3,517.98	-
Finance Costs	(3,055.92)	(2,758.51)
Dividend Paid	(240.10)	(240.10)
Tax on Dividend	(50.24)	(50.24)
Net cash from / (used in) Financing Activities	(13,443.99)	(17,523.22)
Net increase / (decrease) in Cash & Cash Equivalents	10,984.55	(16,966.70)
Cash & Cash Equivalents as at 1st April (Opening)-*	29,500.02	46,466.72
Cash & Cash Equivalents as at 31st March (Closing)-*	40,484.57	29,500.02

* includes fixed deposits of Rs. 15,872.92 (FY 16-17 Rs. 15,113.05) pledged as collateral securities with banks for facilities obtained. Includes fixed deposits of Rs. 10,332.08 (FY 16-17 Rs. 8,645.21) maturing after 3 months.

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

For and on behalf of the Board

APARNA SHINDE
Company Secretary

Place : Mumbai
Dated : May 24, 2018

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated : May 24, 2018

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : June 8, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital (Rs. in Lacs)

Particulars	Balance at the beginning of the period April 1, 2016	Changes in Equity share capital during the year 2016-17	Balance at the end of the reporting period March 31, 2017	Changes in Equity share capital during the year 2017-18	Balance at the end of the reporting period March 31, 2018
Equity Share Capital	1,600.68	-	1,600.68	-	1,600.68

(Rs. in Lacs)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Minority Interest	Other Comprehensive Income	
AS ON MARCH 31, 2017							
Balance at the beginning of the reporting period i.e. April 1, 2016	294.50	1,986.44	13,613.37	60,529.97	(379.78)	39.49	76,083.99
Total Comprehensive Income for the year				6,613.04		(132.99)	6,480.04
Tax on Dividend				(50.24)			(50.24)
Dividend				(240.10)			(240.10)
Tax on Dividend of the last year reversed				50.24			50.24
Transfer to / from retained earnings			200.00	(200.00)			-
Provision of Tax of earlier years				(19.75)			(19.75)
Minority Interest Adjustments					93.24		93.24
Balance at the end of the reporting period i.e. March 31, 2017	294.50	1,986.44	13,813.37	66,683.16	(286.54)	(93.50)	82,397.42
AS ON MARCH 31, 2018							
Balance at the beginning of the reporting period i.e. April 1, 2017	294.50	1,986.44	13,813.37	66,683.16	(286.54)	(93.50)	82,397.42
Total Comprehensive Income for the year				10,913.37		(42.21)	10,871.16
Tax on Dividend				(50.24)			(50.24)
Dividend				(240.10)			(240.10)
Tax on Dividend of the last year reversed				50.24			50.24
Transfer to / from retained earnings			200.00	(200.00)			-
Provision for tax of Earlier Years written off				(8.55)			(8.55)
Minority Interest Adjustments					3,618.16	121.63	3,739.79
Balance at the end of the reporting period i.e. March 31, 2018	294.50	1,986.44	14,013.37	77,147.89	3,331.62	(14.08)	96,759.73

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

APARNA SHINDE
Company Secretary

Place : Mumbai
Dated : May 24, 2018

For and on behalf of the Board

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated : May 24, 2018

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : June 8, 2018

A. CORPORATE INFORMATION

Asian Star Company Limited (The Company) is a public limited company domiciled and incorporated in India. Its shares are listed on the Bombay stock exchange in India. The Parent Company and its subsidiaries are referred to as "Company" for the purpose of these Consolidated Financial Statements.

Established in 1971 and headquartered in Mumbai, Asian Star Company Limited is one of the world's leading integrated diamantaires. The Company straddles the entire value chain and has a formidable presence in diamond manufacturing, jewellery manufacturing and retailing.

The Parent Company has one wholly owned Indian subsidiary company - Asian Star Jewels Private Limited, one wholly controlled Indian Partnership Firm subsidiary - Shah Manufacturers and three wholly owned foreign subsidiaries - Asian Star DMCC, Asian Star Co. Ltd (USA) and Asian Star Trading (Hong Kong) Ltd. The Parent Company and its subsidiaries are engaged in the business of diamond cutting and polishing, jewellery manufacturing and retailing. The Parent Company are engaged in the ownership, operation and maintenance of wind turbines for generation of electricity through wind power in India.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

These financial statements of the Company have been prepared in accordance with IFRS converged Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 ("IndAS").

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of business operations, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Accounting policies requiring management judgement and key sources of estimation uncertainty

The accounting policies which have the most significant effect on the figures disclosed in these financial statements are mentioned below and these should be read in conjunction with the disclosure of the significant IndAS accounting policies provided below:

a. Revenue recognition

Revenue recognition requires management judgement of deciding the most appropriate basis for presenting revenue or costs of revenue after reviewing both the legal form and substance of the agreement. Determining the amount of revenue to be recognized for multiple element arrangements also requires management judgement.

b. Useful life of Property, Plant and Equipment

The assessment of the useful life of each asset by considering the historical experience and expectations regarding future operations and expected usage, estimated technical obsolescence, residual value, physical wear and tear and the operating environment in which the asset is located needs significant judgment by the management.

c. Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized.

d. Fair value

Certain financial instruments, such as investments in equity securities, derivative financial instruments and certain elements of borrowings, are carried in the financial statements at fair value, with changes in fair value reflected in the income statements. Fair values are estimated by reference to published price quotations or by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows analysis.

3. Summary of significant accounting policies

a. Use of estimates

Preparation of these financial statements in accordance with IndAS requires management to make judgments on the basis of certain estimates and assumptions. In addition, the application of accounting policies requires management judgment. Estimates are based on the managements view on past events and future development and strategies. Management reviews the estimates and assumptions on a continuous basis, by reference to past experiences and other factors that can reasonably be used to assess the book values of assets and liabilities.

b. Presentation of true and fair view

These financial Statements have been prepared by applying IndAS principles and necessary disclosures have been made which present a true and fair view of the financial position, financial performance and cash flows of the Company.

c. Going concern

These financial statements have been prepared on a going concern basis and it is assumed that the company will continue in operation in the foreseeable future and neither there is an intention nor need to materially curtail the sale of operations.

d. Accrual basis

These financial statements, except for cash flow information, have been prepared using the accrual basis of accounting.

e. Materiality

Each material class of similar items has been presented separately in these financial Statements.

f. Basis of measurement

These financial statements have been prepared on an accrual basis, except for certain properties and financial instruments that have been measured at fair values or revalued amounts as required by the relevant IndAS.

g. Offsetting

In preparation of these financial Statements, the Company has not offset assets and liabilities or income and expenses, unless required or permitted by Ind AS.

h. Functional and presentation currency

IndAS 21 requires that functional currency and presentation currency be determined. Functional currency is the currency of the primary economic environment in which the entity operates. Presentation currency is the currency in which the financial statements are presented.

These financial statements are presented in Indian Rupee, which is the functional currency and presentation currency of the Company.

i. Foreign currency transactions

All foreign currency transactions are expressed in the functional currency using the exchange rate at the transaction date.

Foreign currency balances representing cash or amounts to be received or paid in cash (monetary items) are retranslated at the end of the year using the exchange rate on that date. Exchange differences on such monetary items are recognized as income or expense for the year.

Non-monetary balances that are not remeasured at fair value and are denominated in a foreign currency are expressed in the functional currency using the exchange rate at the transaction date. Where a non-monetary item is remeasured at fair value in the financial statements, the exchange rate at the date when fair value was determined is used.

j. Tangible fixed assets (PPE & CWIP)

Property, plant and equipment (PPE) is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes).

In the first year of transition to IndAS, the various items of PPE have been valued as per their 'deemed cost' in accordance with IndAS 101.

k. Depreciation on tangible fixed assets

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated over its useful life as prescribed in Schedule II to The Companies Act, 2013 on straight line basis.

In the first year of transition to IndAS, the land and buildings have been valued at fair market value which is their deemed cost' in accordance with IndAS 101. Accordingly, as per the Fair market valuation report, the estimates of useful life of land and buildings have been revised and depreciation has been calculated on the basis of revised useful lives. Depreciation of Asian Star Co. Ltd., New York, Asian Star DMCC, Dubai and Asian Star Trading (Hong Kong) Ltd. has been provided on Straight Line basis and depreciation of M/s. Shah Manufacturers is provided on written down value basis.

l. Investment property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. The accounting policy adopted by the Company for measuring this property is the cost model as prescribed in IndAS 40. The Company measures investment property using cost based measurement.

m. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest expense is calculated using the effective interest method as described in Ind AS 109. Borrowing costs are expensed in the period in which they occur.

n. Inventories

Stock of raw materials, i.e. Rough diamonds – is valued using specific identification method or net realizable value whichever is lower & Gold - is stated at moving weighted average cost or net realizable value whichever is lower. Stock of polished diamonds (for jewellery operations) is valued at technically evaluated cost or net realizable value whichever is lower. Specific items of cost are allocated and assigned to inventory wherever practicable.

Work in Process is valued at technically evaluated cost. Finished goods i.e. mainly cut & polished diamonds and diamond studded jewellery are valued at cost or net realizable value whichever is lower. Inventory of cut & polished diamonds, where 'specific identification' is possible is valued using 'Specific Identification' method. In case of inventory of cut & polished diamonds where such 'specific identification' of cost is not possible, valuation is done using 'retail' method. Cost includes cost of material and related conversion cost.

Consumables are valued at cost.

Valuation of Diamonds and Jewellery is a technical subject requiring specialized knowledge and skills. Valuation is derived based on assessment by the management and valuations carried on by Government Approved Valuer.

o. Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Any discount or rebate in any form, including cash discounts is recorded as a reduction from revenues.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

p. Government grants

Grants from government are recognized at their fair value where reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

q. Retirement and other Employee Benefits

Short Term Employee Benefits

Short term employee benefits given or promised by the Company are recognized in the period during which the service has been rendered.

Defined contribution plans

Benefits under Provident Fund Act, Family Pension Fund & Employees State Insurance Scheme.

As per Provident Fund Act, 1952 all employees of Asian Star Company Ltd., Asian Star Jewels Private Limited & M/s. Shah Manufacturers are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administrated and managed by the Government of India. In addition some employees of the Company are covered under Employees State Insurance Scheme Act, 1948, which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in Profit and Loss Statement during the period in which the employee renders the related services. The Company has no further obligation under this plan beyond its monthly contributions.

The cost of defined contribution plans is the contribution payable by the employer for that accounting period.

Defined benefit plans

Asian Star Company Ltd. provides for gratuity obligation through a Defined Benefit Retirement Plan ('The Gratuity Plan') covering its employees. The present value of the obligation under such Defined plan is determined based on actuarial valuation. The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Actuarial gains and losses are recognized in Profit & Loss Statement as and when determined. The Company makes annual contribution to LIC for the Gratuity plan in respect of employees.

Remeasurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Remeasurements are recognized in other comprehensive income.

r. Taxes on income

Current tax expense is based on the taxable and deductible amounts to be used for the computation of the taxable income for the current year. A liability is recognized in the balance sheet in respect of current tax expense for the current and prior periods to the extent unpaid. An asset is recognized if current tax has been overpaid.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Current and deferred tax is recognized in profit or loss for the period, unless the tax arises from a business combination or a transaction or event that is recognized outside profit or loss, either in other comprehensive income or directly in equity in the same or different period.

s. Earnings per share

Basic EPS is calculated by dividing the profit or loss for the period attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding (including adjustments for bonus and rights issues).

Diluted EPS is calculated by adjusting the profit or loss and the weighted average number of ordinary shares by taking into account the conversion of any dilutive potential ordinary shares.

Basic and diluted EPS are presented in the statement of profit and loss for each class of ordinary shares in accordance with IndAS 33.

t. Provisions, contingent liabilities and contingent assets

Company recognizes provision, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. For long-term provisions, management performs an exercise at each balance sheet date to identify the best estimate of the expenditure required to settle the present obligation at the balance sheet date, discounted at an appropriate rate. The increase in provision due to the passage of time (that is a consequence of the discount rate) is recognized as borrowing cost.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made.

Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

As per IndAS 37, Contingent liabilities, if any, are not recognized but are disclosed and described in the notes to the financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

u. Cash and Cash equivalents & Other bank balance

Cash and cash equivalents for the purpose of the cash flow statement comprise cash at bank and cash in hand and all fixed deposits with banks.

v. Related party disclosures

All disclosures as specified under IndAS 24 are made in these financial Statements in respect of the company's transactions with related parties.

w. Preliminary expenses

Preliminary expenses and expenses incurred on the issue of shares are amortized over a period of five years, from the year in which the Company starts its operations.

x. Dividend

Dividends proposed or declared after the reporting period but before the financial statements are approved for issue, are not recognized as a liability at the end of the reporting period because no obligation exists at that time. The company recognizes the dividend to Equity Shareholders as a liability and deducts the same from Shareholder's equity only in the period in which the dividends are approved by the equity shareholders in the general meeting.

y. (i) In order to comply with Indian Accounting Standards (IndAS) issued by Institute of Chartered Accountants of India, the Company has prepared the accompanying consolidated financial statements, which include the financial statements of the Company along with its subsidiaries. Details of subsidiaries are as under:

Sr. No.	Name of Subsidiary	Country of Incorporation	Percentage of Ownership (Previous Year)
1)	Asian Star Co. Ltd.	USA	100 (100)
2)	Asian Star DMCC	UAE	100 (100)
3)	Asian Star Jewels Pvt. Ltd	India	100 (100)
4)	Asian Star Trading (Hongkong) Ltd.	Hongkong	100 (100)
5)	Shah Manufacturers (Partnership firm)	India	-

(ii) The consolidated financial statements of the group have been based on a line by line consolidation of profit & loss statement and Balance Sheet of the Company and its subsidiaries.

(iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statement as Goodwill or Capital Reserve as the case may be.

(iv) The effects of inter-company transactions between consolidated companies are eliminated in consolidation.

z. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of services provided with each segment representing strategic business unit that offers different services. The Company recognizes two reportable business segments viz. diamonds and jewellery. The business which is not reportable during the year, has been grouped under 'Others' Segment, this comprises wind energy generation.

Detailed disclosure for each of these reporting segments is given in the consolidated financial statements in accordance with paragraph 4 of IndAS 108.

aa. Financial Instruments

Financial assets and financial liabilities are recognized on the Company Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets - Trade receivables

Trade receivables are non-interest-bearing and are recognized initially at fair value, and subsequently at amortized cost using the effective interest rate method, less provision for impairment, if any.

Impairment of Trade receivables

At each balance sheet date, the Company reviews the carrying amounts of its trade receivables to determine whether there is any indication of impairment loss. If there is objective evidence that an impairment loss has been incurred, the Company uses the Expected Credit Loss (ECL) model to assess the impairment loss.

Financial Assets - Investments

Investments consist of investments in equity shares (quoted) and are recognized at fair value through profit & loss. Gains and losses arising from changes in fair value are recognized in profit or loss. Dividends, if any, on equity instruments are recognized in profit or loss when the company's right to receive payment is established, it is probable

that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Investment in subsidiary and Joint venture are accounted at cost using equity method of accounting.

Financial Assets - Loans and advances to staff

Loans and advances are given to staff which are either adjusted against salary or received on completion of the agreed period.

The amount of loan and advances given being not material are carried at cost.

Impairment of loans and advances to staff

At each balance sheet date, the Company reviews the carrying amounts of its loans and advances to determine whether there is any indication that those assets have suffered an impairment loss. The Company has not observed any impairment loss to the carrying value of loans and advances to staff.

Financial Liabilities - Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortized cost with any difference between proceeds and redemption value being recognized in the Income Statement over the period of the borrowings on an effective interest basis.

Financial Liabilities - Trade payables

Trade payables are non-interest bearing and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Financial Liabilities - Derivative financial instruments

Derivative transactions entered into by the Company in the form of Forward / Option Contracts to mitigate the risk of changes in the exchange rates on foreign currency exposures. The counterparty of these contracts is bank. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. These derivatives constitute hedge from an economic perspective and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Sales / Purchase in Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

4. Functional and Presentation Currency

Assets and liabilities are translated from the functional currency to the presentation currency at the closing rate at the end of the reporting period. The income statement is translated at exchange rates at the dates of the transactions or at the average rate if that approximates the actual rates. All resulting exchange differences are recognized in other comprehensive income.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2018

1. PROPERTY, PLANT & EQUIPMENT

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)			DEPRECIATIONS				NET BLOCK		
	As At April 1, 2017	Additions	Deductions	As At March 31, 2018	As At April 1, 2017	For The Year	Deductions/ Exchange rate difference	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
Tangible Assets										
Land	6,076.34	-	-	6,076.34	-	16.02	-	16.02	6,060.32	6,076.34
Office Premises	2,640.18	-	-	2,640.18	355.36	176.48	(1.20)	533.04	2,107.14	2,209.40
Factory Premises	6,204.56	-	-	6,204.56	566.23	154.31	-	720.54	5,484.02	5,638.35
Plant & Machinery	16,509.35	533.32	1,464.31	15,578.36	6,167.31	978.07	511.48	6,633.90	8,944.46	10,413.98
Vehicles	891.06	36.19	20.52	906.73	393.16	100.14	16.12	477.18	429.55	497.90
Furniture & Fixtures	1,409.20	23.71	-	1,432.91	1,001.78	101.37	(0.15)	1,103.30	329.61	384.28
Office Equipments	1,857.62	147.97	0.16	2,005.43	1,192.27	136.58	0.15	1,328.70	676.73	665.34
Computer	749.10	31.59	-	780.69	611.58	75.43	-	687.01	93.68	137.50
Intangible Assets										
Computer Software	18.13	-	-	18.13	15.20	1.47	-	16.67	1.46	2.93
CURRENT YEAR	36,355.54	772.78	1,484.99	35,643.33	10,302.89	1,739.87	526.40	11,516.36	24,126.97	26,026.02
PREVIOUS YEAR	35,259.03	3,174.03	2,077.52	36,355.54	8,628.11	1,784.72	109.94	10,302.89	26,026.02	26,604.28

2. NON-CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Unquoted, Equity Instruments		
In Other Companies at cost (all fully paid)		
Utkarsh Micro Finance Ltd. 90,000 (Nil) Shares of Rs. 10 each	117.00	-
Indian Commodity Exchange Ltd. 1,67,50,000 (1,67,50,000) Shares of Rs. 10 each	1,675.00	1,675.00
Ratnanjali Infra LLP (Partnership Firm)	2,224.06	-
Total	4,016.06	1,675.00

3. LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Loan Given	-	1,758.75
Total	-	1,758.75

4. OTHER FINANCIAL ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Deposits with Others	64.42	63.96
Security Deposits	56.94	65.33
Total	121.36	129.29

5. NON CURRENT TAX ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Taxation	111.41	213.74
Total	111.41	213.74

6. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Capital Advances	364.91	364.91
Security Deposit	193.31	193.86
Preliminary expenditure (To the extent not written off)	0.31	0.39
Total	558.53	559.16

7. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Raw Materials	14,925.47	21,031.47
Work In Progress	4,737.29	5,041.46
Finished Goods & Stock-in-Trade	36,229.58	36,903.25
Consumables (Inventories are valued as per point no.3(n) to significant accounting policies)	47.93	36.67
Total	55,940.26	63,012.85

8. CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Investments carried at Fair Value through profit & loss (FVTPL)		
Investments in Bond		
Sovereign Gold Bond Scheme 800 (200) Units	23.31	5.83
A		
Quoted, fully paid up		
Classic Diamonds (India) Ltd. 716 (716) Shares of Rs. 2 each	0.01	0.01
Shrenuj & Co Ltd. 2,000 (2,000) Shares of Rs. 2 each	0.02	0.03
Windsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.00	0.00
Ratnakar Bank Limited Nil (28,000) Shares of Rs. 10 each	-	138.38
Tribhovandas Bhimji Zaveri Ltd. Nil (1,00,000) Shares of Rs. 10 each	-	77.85
Aarti Industries Ltd 11,365 (7,700) Shares of Rs. 5 each	130.04	58.96
Aegis Logistics Ltd 55,500 (55,000) Shares of Rs. 10 each	143.66	107.86
APL Apollo Tubes Ltd 5,220 (5,220) Shares of Rs. 10 each	104.12	61.09
Asian Oilfield Serv Ltd 18,815 (Nil) Shares of Rs. 10 each	35.18	-
Astec Lifescience Ltd 12,235 (12,235) Shares of Rs. 10 each	71.17	73.83
Aptech Ltd. Nil (24,973) Shares of Rs. 10 each	-	57.45
CCL Products Ltd Nil (20,419) Shares of Rs. 2 each	-	69.89
Dalmia Bharat Ltd 2,630 (2,630) Shares of Rs. 10 each	75.88	51.74
Deep Industries Ltd Nil (26,250) Shares of Rs. 10 each	-	86.48
Exide Industries Ltd 31,100 (31,100) Shares of Re. 1 each	69.03	69.65
Greenlam Industries Ltd Nil (6,328) Shares of Rs. 10 each	-	40.07
Gujarat Heavy Chem.Ltd Nil (20,776) Shares of Rs. 10 each	-	55.25
HDFC Bank Ltd 9,075 (6,985) Shares of Rs. 2 Each	171.65	100.74
Indian Energy Exch Ltd Nil (3,721) Shares of Rs. 10 each	58.66	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
J.K.Tyre & Industries 40,000 (Nil) Shares of Rs. 2 each	64.67	-
KEI Industries Ltd 18,550 (Nil) Shares of Rs. 2 each	71.38	-
Manapuram Finance Ltd Nil (91,620) Shares of Rs. 2 each	-	89.79
Maruti Suzuki Ltd 1,895 (1,560) Shares of Rs. 10 each	167.20	93.98
Neuland Laboratories Ltd Nil (6,500) Shares of Rs. 10 each	-	96.73
ITD Cementation Ltd Nil (39,090) Shares of Rs. 10 each	-	66.90
Navin Fluorine Intl Ltd 12,000 (2,400) Shares of Rs. 2 each	92.51	73.05
Radio City Ltd 15,704 (Nil) Shares of Rs. 10 each	62.37	-
SP Appareals Ltd. Nil (13,267) Shares of Rs. 10 each	-	57.24
Shilpa Medicate Ltd 13,044 (Nil) Shares of Rs. 1 each	60.65	-
Voltas Ltd 9,080 (Nil) Shares of Rs. 1 each	56.35	-
Ashok Leyland Ltd 40,000 (Nil) Shares of Rs. 1 each	58.16	-
BASF India Ltd 3,000 (Nil) Shares of Rs. 10 each	62.33	-
Escorts Ltd 3,950 (Nil) Shares of Rs. 10 each	32.72	-
INFO Edge (India) Ltd 4,000 (Nil) Shares of Rs. 10 each	47.55	-
L & T Finance Holdings Ltd 30,000 (Nil) Shares of Rs. 10 each	47.15	-
Piramal Enterprises Ltd 2,609 (Nil) Shares of Rs. 2 each	63.68	-
Tata Elexi Ltd 4,450 (Nil) Shares of Rs. 10 each	43.83	-
Ujjivan Fin Serv Ltd 15,000 (Nil) Shares of Rs. 10 each	51.84	-
United Spirits Ltd 2,000 (Nil) Shares of Rs. 2 each	62.52	-
Varun Beverages Ltd 9,000 (Nil) Shares of Rs. 10 each	55.57	-
Asian Paints Ltd 299 (Nil) Shares of Rs. 1 each	3.35	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Bajaj Finance Ltd 283 (Nil) Shares of Rs. 2 each	4.97	-
Bajaj Finserv Ltd 71 (Nil) Shares of Rs. 5 each	3.70	-
Britania Industries Ltd 83 (Nil) Shares of Rs. 2 each	4.13	-
Eicher Motors Ltd 12 (Nil) Shares of Rs. 10 each	3.40	-
Gruh Finance Ltd 779 (Nil) Shares of Rs. 2 each	4.50	-
Havells India Ltd 713 (Nil) Shares of Rs. 1 each	3.48	-
HDFC Bank Ltd 249 (Nil) Shares of Rs. 2 each	4.71	-
HDFC Life Ins Co Ltd 365 (Nil) Shares of Rs. 10 each	1.66	-
Hind Petro Corp Ltd 945 (Nil) Shares of Rs. 10 each	3.25	-
Indusind Bank 257 (Nil) Shares of Rs. 10 each	4.61	-
Kaveri Seed Co Ltd 531 (Nil) Shares of Rs. 2 each	2.56	-
Maruti Suzuki Ltd 41 (Nil) Shares of Rs. 5 each	3.63	-
Motherson Sumi Ltd 1,217 (Nil) Shares of Rs. 1 each	3.79	-
MRF Ltd 6 (Nil) Shares of Rs. 10 each	4.34	-
NBCC India Ltd 1,480 (Nil) Shares of Rs. 1 each	2.82	-
P I Industries Ltd 414 (Nil) Shares of Rs. 1 each	3.68	-
Petronet LNG Ltd 1,186 (Nil) Shares of Rs. 10 each	2.74	-
Ramco Cements Ltd 355 (Nil) Shares of Rs. 1 each	2.60	-
Supreme Industries Ltd 317 (Nil) Shares of Rs. 2 each	3.77	-
AIA Engineering Ltd 92 (Nil) Shares of Rs. 2 each	1.31	-
Bajaj Finance Limited 286 (Nil) Shares of Rs. 2 each	5.06	-
Bajaj Finserv Ltd 101 (Nil) Shares of Rs. 5 each	5.23	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Balkrishna Industries Ltd 396 (Nil) Shares of Rs. 2 each	4.25	-
Greenlam Industries Ltd 314 (Nil) Shares of Rs. 5 each	3.59	-
Gujarat Gas Ltd 524 (Nil) Shares of Rs. 10 each	4.35	-
Hind Petro Corp Ltd 1,110 (Nil) Shares of Rs. 10 each	3.82	-
JK Paper Ltd 1,910 (Nil) Shares of Rs. 10 each	2.58	-
MAS Fin Serv Ltd 589 (Nil) Shares of Rs. 10 each	3.50	-
Minda Industries Ltd 372 (Nil) Shares of Rs. 2 each	4.00	-
Motherson Sumi S Ltd 1,424 (Nil) Shares of Rs. 1 Each	4.44	-
Nilkamal Ltd 189 (Nil) Shares of Rs. 10 Each	2.88	-
Relaxo Footware Ltd 682 (Nil) Shares of Rs. 1 Each	4.44	-
Siyaram Silk Mills Ltd 493 (Nil) Shares of Rs. 2 Each	3.00	-
Sundaram Finance Ltd 206 (Nil) Shares of Rs. 10 Each	4.09	-
Symphony Ltd 113 (Nil) Shares of Rs. 2 each	2.02	-
Tasty Bite Eatables Ltd 9 (Nil) Shares of Rs. 10 Each	0.67	-
Timken India Ltd 502 (Nil) Shares of Rs. 10 Each	3.52	-
Vardhaman Textiles Ltd 322 (Nil) Shares of Rs. 10 Each	3.93	-
Aegis Logistic Ltd 2,395 (Nil) Shares of Rs. 1 Each	6.22	-
Alkem Lab Ltd 201 (Nil) Shares of Rs. 2 Each	4.00	-
Au Small Fin Bank 946 (Nil) Shares of Rs. 10 Each	5.85	-
Bayer Cropscience Ltd 36 (Nil) Shares of Rs. 10 Each	1.52	-
Birla Corporation Ltd 832 (Nil) Shares of Rs. 10 Each	5.95	-
Blue Star Ltd 513 (Nil) Shares of Rs. 2 Each	3.88	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Canfin Homes Ltd 1,007 (Nil) Shares of Rs. 2 Each	4.83	-
Development Credit Bank Ltd 4,655 (Nil) Shares of Rs. 10 Each	7.52	-
Dhanuka Agritech Ltd 334 (Nil) Shares of Rs. 2 Each	1.84	-
Dishman Carbigen Ltd 1,053 (Nil) Shares of Rs. 2 Each	3.37	-
Dr Lal Path Ltd 318 (Nil) Shares of Rs. 10 Each	2.79	-
Gabriel India Ltd 2,707 (Nil) Shares of Rs. 1 Each	3.71	-
Glaxo Smithkline Consumer Healthcare Ltd 12 (Nil) Shares of Rs. 10 Each	0.73	-
IIFL Holdings Ltd 352 (Nil) Shares of Rs. 2 Each	2.51	-
ITD Cement India Ltd 1,695 (Nil) Shares of Rs. 1 Each	2.67	-
Kajaria Ceramics Ltd 681 (Nil) Shares of Rs. 1 Each	3.90	-
Laxmi Vilas Bank Ltd 3,012 (Nil) Shares of Rs. 10 Each	2.97	-
Mahanagar Gas Ltd 461 (Nil) Shares of Rs. 10 Each	4.42	-
Quess Corp Ltd 709 (Nil) Shares of Rs. 10 Each	7.29	-
Suprajit Engg Ltd 640 (Nil) Shares of Rs. 1 Each	1.78	-
TTK Prestige Ltd 67 (Nil) Shares of Rs. 10 Each	4.14	-
B	2,180.17	1,526.98
Investments in Mutual Fund		
Reliance Liquid Fund 107 (8) Units	1.07	0.08
Reliance Liquid Fund Direct-G 903 (Nil) Units	23.63	-
HDFC Small Cap Fund Direct Growth Plan 1,55,122 (Nil) Units	72.32	-
Kotak Select Focus Fund Direct Plan Growth 2,15,853 (Nil) Units	72.26	-
Motilal Oswal Most Focused Multicap35 Fund 3,61,232 (Nil) Units	98.71	-
C	267.99	0.08
Total A+B+C	2,471.47	1,532.89

9. TRADE RECEIVABLES

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018		AS AT MARCH 31,2017	
Unsecured				
Over six months from due date				
Considered Good	820.16		958.09	
Considered Doubtful	58.12		24.71	
	878.27		982.80	
Less: Provision for doubtful debts	58.12		24.71	
	820.16		958.09	
Others				
Considered Good		91,601.29		85,194.69
Total		92,421.45		86,152.78

10. CASH AND CASH EQUIVALENTS

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Balances with Banks	23,142.63	13,570.10
Fixed Deposits with Banks	6,977.76	7,248.71
Cash on hand	32.10	36.00
Total	30,152.49	20,854.81

Balance with Banks include unclaimed dividend of Rs. 0.32 lacs (for F.Y. 2016-17 it was Rs. 0.32 lacs) & unclaimed fractional entitlement Rs. 0.17 lacs (For F.Y. 2016-17 it was Rs. 0.17 lacs)

11. OTHER BANK BALANCES

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Fixed Deposits with Banks	10,332.08	8,645.21
Total	10,332.08	8,645.21

- Fixed Deposits with banks include deposits of Rs. 2,488.05 lacs (For FY 2016-17 it was Rs. 1,886.00 lacs) with maturity of more than 12 months.
- Fixed Deposits with banks includes deposits of Rs. 15,872.92 lacs (For F.Y. 2016-2017 it was Rs. 15,113.05 lacs) pledged as collateral securities with the bank as security for facilities obtained.
- Fixed Deposits with banks includes deposits of Rs. 748.79 lacs (For F.Y. 2016-2017 it was Rs. 705.06 lacs) kept as margin money against bank guarantees.

12. LOANS AND ADVANCES

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
LOANS & ADVANCES - Others		
Unsecured, considered good	6,106.48	4,405.53
Total	6,106.48	4,405.53

13. OTHER FINANCIAL ASSETS

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Others	7.07	7.42
Derivatives - Foreign Exchange Contracts	244.39	3,596.91
Total	251.46	3,604.33

14. SHARE CAPITAL

[Rs. in Lacs]

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs.10 each	2,500.00	2,500.00
4,00,00,000 (4,00,00,000) Redeemable Cumulative Preference Shares of Rs.10 each	4,000.00	4,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each	1,600.68	1,600.68
Total	1,600.68	1,600.68

14.1 THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

PARTICULARS	AS AT MARCH 31,2018		AS AT MARCH 31,2017	
	NO. of SHARES HELD	% of HOLDING	NO. of SHARES HELD	% of HOLDING
Vipul Prabodh Shah	40,00,050	24.99	40,00,050	24.99
Nirmala Dinesh Shah	18,00,000	11.25	18,00,000	11.25
Arvind Tarachand Shah	15,84,450	9.90	15,84,450	9.90
Priyanshu Arvind Shah	12,15,450	7.59	12,15,450	7.59
Rasila Arvind Shah	12,00,000	7.50	12,00,000	7.50
Dharmesh Dinesh Shah	11,50,000	7.18	11,50,000	7.18
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
Total	1,19,50,000	74.66	1,19,50,000	74.66

14.2 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Equity shares at the beginning of the year	1,60,06,800	1,60,06,800
Equity shares at the end of the year	1,60,06,800	1,60,06,800

15. OTHER EQUITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018		AS AT MARCH 31,2017	
Capital Reserves				
As per Last Balance Sheet		294.50		294.50
Capital Redemption Reserve				
As per Last Balance Sheet		1,986.44		1,986.44
General Reserves				
As per Last Balance Sheet	13,813.37		13,613.37	
Add : Transferred from Profit and Loss Account	200.00		200.00	
		14,013.37		13,813.37
Minority Interest		3,331.61		(286.55)
Profit & Loss Account				
As per last Balance Sheet	66,683.16		60,529.97	
Add: Profit for the Year	10,913.38		6,613.04	
Add: Tax on Proposed Dividend of last year reserved	50.24		50.24	
	77,646.78		67,193.25	
Less: Appropriations				
Transferred to General Reserve	200.00		200.00	
Dividend Paid	240.10		240.10	
(Dividend per Share Rs.1.50/-)				
(Previous Year Dividend per Share Rs.1.50/-)				
Tax on Dividend	50.24		50.24	
Provision for Tax of Earlier Years written off	8.55		19.75	
	498.89		510.09	
		77,147.89		66,683.16
Other Comprehensive Income		(14.08)		(93.50)
Total		96,759.73		82,397.42

16. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Unsecured Loans		
Loan from Others	6.65	6.65
Loans from Related Party - Directors	2,253.86	2,500.00
Total	2,260.51	2,506.65

17. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Deferred Tax Liability on account of :		
Property, Plant & Equipment		4,879.43
5,253.99		
Others	13.95	(8.55)
A	4,893.38	5,245.44
Deferred Tax Asset on account of:		
Provision for Doubtful Debts	20.11	-
Gratuity Liability	153.08	163.35
Others	1.07	-
B	174.26	163.35
Deferred Tax Liability - Net A - B	4,719.12	5,082.09

18. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Provision for Employee Benefits		
Provision for Gratuity (unfunded)	838.33	910.88
Total	838.33	910.88

19. OTHER NON-CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Deferred Income (Liability)	780.66	588.03
Total	780.66	588.03

20. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
SECURED LOANS		
Working Capital Loan from Banks	69,996.01	77,803.90
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Mortgage of Premises at Mumbai & Surat		
d. Guaranteed by some of the Directors in their personal capacity		
UNSECURED LOANS		
Loans from Related Party / Others	12,179.87	17,471.46
Total	82,175.88	95,275.36

21. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Creditors for Goods		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	18,224.22	32,201.69
Creditors for Processing		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	4,613.23	1,498.81
Total	22,837.45	33,700.50

22. OTHER FINANCIAL LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Derivative- Foreign Exchange Contracts	337.98	75.93
Total	337.98	75.93

23. SHORT TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Leave Encashment	6.31	5.17
Total	6.31	5.17

24. OTHER CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2018	AS AT MARCH 31,2017
Unclaimed Dividend	0.24	0.25
Other Payables *	19,286.24	1,420.50
Total	19,286.48	1,420.75

* Includes statutory dues and payable for expenses/services.

25. REVENUE FROM OPERATIONS

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Sale of Products*	3,89,933.96	3,49,189.72
Sale of Services	568.66	195.91
Total	3,90,502.62	3,49,385.63

* The above includes net gain/(loss) on exchange fluctuation as mentioned in Note No. 45.

25.1 PARTICULARS OF THE SALE OF PRODUCTS

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Diamonds	3,34,355.97	2,97,210.73
Jewellery	54,937.77	51,272.70
Power- Windmill	640.22	706.29
Total	3,89,933.96	3,49,189.72

26. OTHER INCOME

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Interest Income	12.01	86.96
Financial Guarantee Commission	75.03	-
Commission Income	32.89	-
Discount Received	0.03	23.99
Dividend Income	16.40	13.74
Fair Value Gain / (Loss) on Investments	124.96	412.60
Insurance Claim Received	-	47.19
Net Gain/(Loss) on Sale of Investments	56.82	11.81
Service Tax Refund	34.78	50.86
Interest on Sovereign Bond	0.16	0.16
Duty Benefit on Import of Machinery	41.39	29.90
Miscellaneous Receipts	5.07	39.97
Net (Gain)/Loss on Foreign Current Transactions and Translation	424.07	-
Share of Profit from Partnership Firm	(0.53)	-
Total	823.08	717.18

27. COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2017-2018		2016-2017	
Stock at the Commencement	21,031.47		17,198.66	
Purchases during the year	2,01,239.72		2,19,753.04	
	2,22,271.19		2,36,951.70	
Less : Stock at the Close	14,925.47		21,031.47	
		2,07,345.72		2,15,920.23
Total		2,07,345.72		2,15,920.23

28. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS & STOCK-IN-TRADE (Rs. in Lacs)

PARTICULARS	2017-2018		2016-2017	
Variation in Stock of Work In Progress				
Stock at the Commencement	5,041.46		3,460.90	
Less: Stock at the Close	4,737.29		5,041.46	
A		304.17		(1,580.56)
Variation in Stock of Finished Goods				
Stock at the Commencement	32,684.34		22,841.25	
Less: Stock at the Close	31,500.50		32,684.34	
B		1,183.84		(9,843.10)
Variation in Stock-in-Trade				
Stock at the Commencement	4,218.91		1,197.13	
Less: Stock at the Close	4,729.08		4,218.91	
C		(510.17)		(3,021.77)
Total A+B+C		977.84		(14,445.43)

29. EMPLOYEE'S BENEFITS EXPENSE

(Rs. in Lacs)

PARTICULARS	2017-2018		2016-2017	
Salary & Bonus	4,679.54		4,227.74	
Director's Remuneration	600.00		616.77	
Wages	1,264.10		1,084.42	
Gratuity	203.63		121.85	
Ex Gratia & Leave Encashment	155.21		151.82	
Labour Welfare Fund Expenses	1.23		0.81	
Contribution to Provident Fund	253.87		256.70	
Group Health Insurance Premium	28.03		4.20	
Contribution to E.S.I.C.	60.83		43.40	
Staff Welfare Expenses	45.33		33.78	
Total		7,291.77		6,541.49

30. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2017-2018		2016-2017	
Interest Expense	2,652.72		2,332.48	
Other borrowing costs	403.11		425.67	
Other Interest *	0.09		0.36	
Total		3,055.92		2,758.51

* Includes interest on late payment of Service tax.

31. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2017-2018		2016-2017	
Manufacturing Expenses				
Processing Expenses	23,134.06		17,581.24	
Electricity, Power & Fuel	534.44		467.98	
Promotion Fund Expenses on Import	19.20		-	
Consumption of Stores & Spares	326.60		291.67	
Factory Expenses	293.06		389.15	
		24,307.36		18,730.04
Administrative / Selling & Distribution Expenses				
Bank Commission & Charges	405.71		302.19	
Electrical Charges	83.83		199.85	
Telephone, Internet and Fax Charges	123.63		108.46	
Local Travelling and Conveyance	99.43		98.84	
Legal & Professional fees	479.64		457.72	
Audit Fees	13.08		19.67	
Printing & Stationery	71.41		70.99	
Repairs & Maintenance (Other)	273.52		285.69	
Repairs & Maintenance (Building)	125.00		29.18	
Repairs & Maintenance (Plant & Machinery)	111.16		172.32	
Repairs & Maintenance (Windmill)	194.57		220.95	
Postage and Courier	89.40		80.39	
Bad Debts (Net of Recovery)	355.24		522.07	
Rates & Taxes	30.38		31.07	
Provision for Doubtful Debts	58.12		-	
Motor Car Expenses	70.89		68.86	
Insurance Premium	268.12		244.19	
Rent & Compensation	319.10		329.24	
Donation	19.99		33.65	
CSR Expenditure	60.19		104.90	
Office Canteen Expenses	84.01		82.25	
Office Expenses	76.72		38.77	
Director's Sitting Fees	1.21		1.49	
Sundry Expenses	67.13		127.84	
Security Charges	85.86		75.85	
Registration & Filing Charges	0.95		13.32	
Membership and Subscription	25.12		32.13	
Preliminary exp written off	0.08		0.10	
Advertisement	52.07		49.91	
Sales Expenses	233.32		141.79	
Entertainment Expenses	84.35		104.54	
Foreign Travelling	337.19		212.10	
Commission on Sales	380.91		228.72	
Re-Assortment Charges	23.73		19.28	
Freight & Clearing Charges	286.50		305.35	
Agency Charges	30.74		25.16	
E.C.G.C. Premium	167.62		184.12	
Diamond Grading Charges	1,130.01		847.98	
Packing Expenses	68.80		65.30	
		6,388.73		5,936.23
Total		30,696.09		24,666.27

32. EXCEPTIONAL ITEMS

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Net gain/(loss) on Sale of Assets	(503.47)	(44.15)
Total	(503.47)	(44.15)

33. DURING THE YEAR, COMPANY HAS RECOGNIZED THE FOLLOWING AMOUNTS IN THE FINANCIAL STATEMENTS:**a) Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under:

PARTICULARS	(Rs. in Lacs)
Employers Contribution to Provident Fund & Family Pension Fund	253.87
Employers Contribution to Employees State Insurance Scheme	60.83
Employers Contribution to Labour Welfare Fund	1.23

b) Defined Benefit PlanDefined benefits plan as per actuarial valuation as on 31st March, 2018 and recognized in the financial statement in respect of Employee Benefits Scheme:

(Rs. in Lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
I) Assumptions	(%)
a) Expected Return on Plan Assets	7.85 %
b) Rate of Discounting	7.85 %
c) Rate of Salary Increase	5.00 %
d) Rate of Employee Turnover	2.00 %
II) Change in Present value of Projected Benefit Obligation	
a) Present value of benefit obligation at beginning of the year	1,208.29
b) Current + past Service Cost	187.48
c) Interest Cost	88.69
d) Benefit paid from the fund	(377.21)
e) Actuarial (gain)/loss on obligation	(11.19)
f) Present value of obligation as at end of the year	1,096.06
III) Change in fair value of Plan Assets	
a) Fair value of the Plan Assets at the beginning of the year	637.14
b) Interest Income	46.77
c) Contributions by the Employer	229.03
d) Benefit paid from the fund	(377.21)
e) Return on Plan Assets, excluding Interest Income	(6.78)
f) Fair value of Plan Assets at the end of the year	528.95
IV) Amount Recognized in the Balance Sheet	
a) Present value of benefit obligation at the end of the year	(1,096.06)
b) Fair Value of Plan Assets at the end of the year	528.95
c) Funded Status (Surplus/ (Deficit))	(567.11)
d) Net Liability / Asset recognized in the Balance Sheet	(567.11)
V) Expenses Recognized in the Statement of Profit & Loss	
a) Net Interest Cost	41.92
b) Current + Past Service Cost	187.48
c) Expenses recognized in Profit & Loss Statement	229.40

(Rs. in Lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
VI) Expenses Recognized in the Other Comprehensive Income (OCI) for Current period	
a) Actuarial (Gains)/Losses on Obligation for the Period	(11.19)
b) Return on Plan Assets, excluding Interest Income	6.78
c) Net (Income)/Expense for the Period Recognized in OCI	(4.41)
VII) Sensivity Analysis	
Projected Benefit Obligation on Current Assumptions	1,096.06
Delta effect of +1% change in rate of Discounting	(96.02)
Delta effect of -1% change in rate of Discounting	112.01
Delta effect of +1% change in rate of Salary Increase	92.50
Delta effect of -1% change in rate of Salary Increase	(82.02)
Delta effect of +1% change in rate of Employee Turnover	34.60
Delta effect of -1% change in rate of Employee Turnover	(38.78)

34. Events after the reporting period

The Board of Directors of Asian Star Co. Ltd. have recommended dividend of Rs. 1.50 per fully paid up equity share of Rs. 10/- each, aggregating to Rs. 290 lacs, including Rs. 50.83 lacs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding on the record date / book closure.

35. Taxation

Income tax recognized in statement of profit and loss:

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Current tax	2,109	2,418
Deferred tax	(363)	(21)
Income tax expense recognised in statement of profit and loss	1,746	2,396

The income tax expenses for the year can be reconciled to the accounting profit as follows:

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Profit before tax	13,168	9,045
Applicable tax rate	34.61%	34.61%
Computed Tax Expense	4,557	3,130
Tax effect of:		
Exempted income	(170)	(128)
Expenses disallowed	654	877
Additional allowances	(565)	(745)
Others	21	45
Non taxable subsidiaries and effect of differential tax rate under various jurisdiction	(2,388)	(761)
Current Tax Provision (A)	2,109	2,418
Decremental Deferred tax Liability on account of Tangible Assets	(352)	150
(Incremental)/ Decremental Deferred tax Liability on account of other items	(11)	(172)
Deferred Tax Provision (B)	(363)	(22)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	1,746	2,396
Effective Tax Rate	13.26 %	26.49 %

36. RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH, 2018:

(I) List of Related Parties and Relationships:

(A) Particulars of Enterprises controlled by the Company	Relationship
Name of Related Party Asian Star Company Ltd. - (U.S.A.)	Wholly owned Subsidiary
Asian Star DMCC	Wholly owned Subsidiary
Asian Star Jewels Pvt. Ltd.	Wholly owned Subsidiary
Asian Star Trading (Hong Kong) Ltd.	Wholly owned Subsidiary
(B) Particulars of Key Management Personnel	Relationship
Name of Related Party	
Dinesh T. Shah	Chairman & CFO
Vipul P. Shah	CEO & Managing Director
Dharmesh D. Shah	Director
Arvind T. Shah	Executive Director
Priyanshu A. Shah	Executive Director
Rahil V. Shah	Executive Director
(C) Particulars of Enterprises Under Common control of the Key Management Personnel	
Jewel Art	
Asian Star Diamonds International Pvt. Ltd.	
Shah Manufacturers	
Rahil Agencies	
A'Star Exports	
(D) Particulars of Relatives of Key Management Personnel where there are transactions	
Arvind T. Shah – HUF	
Himanshu A. Shah	
Pooja P. Shah	
Sujata V. Shah	
Rasila A. Shah	
Dhwani R. Shah	
Urvi D. Shah	
Sweta D. Shah	
Gemasia B.V.B.A. (Relative of director has a significant influence)	
A M Exports (Relative of director has a significant influence)	

ii) Transactions during the year with Related Parties:

(Rs. in Lacs)

Particulars	Name of the Party	2017-18		2016-17	
		Volume	Amount Outstanding as on 31.03.2018	Volume	Amount Outstanding as on 31.03.2017
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	15,168.44	4,399.87	14,403.40	3,433.30
	Asian Star Jewels Pvt. Ltd.	6,072.00	2,938.43	63,540.78	2,125.17
	Jewel Art (Unit-II)	104.49	-	214.90	212.87
	Gemasia B.V.B.A.	4,615.14	2,574.25	11,188.82	3,046.34
	A.M.Exports	-	-	669.42	-
Purchase of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	-	-	38.45	-
	Asian Star DMCC	6,433.94	5,861.75	Nil	-
	Gemasia B.V.B.A.	1,045.34	-	5,730.00	1,324.90
	A.M.Exports	3,858.20	841.92	3,610.08	561.10
Dividend Received	Asian Star DMCC	248.02	-	242.84	-
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	-	178.75	-	178.75
	Asian Star Trading (Hong Kong) Ltd.	-	103.58	-	204.76
	Asian Star DMCC	-	62.23	-	62.23
	Asian Star Jewels Pvt. Ltd.	-	130.67	-	120.80
Bank Guarantees given	Asian Star Trading (Hong Kong) Ltd.	2,629.88	15,597.60	-	12,967.72
	Asian Star DMCC	6,514.14	12,998.00	-	6,483.86
	Asian Star Jewels Pvt. Ltd.	-	4,300.00	-	4,300.00
Loan repaid by Subsidiary	Asian Star Jewels Pvt. Ltd.	150.41	255.00	-	405.41
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	10.16	-	7.80	-
Sale of Colour Stone	Asian Star Jewels Pvt. Ltd.	0.95	-	0.12	-
Directors' Remuneration	Dinesh T. Shah	125.00	-	125.00	-
	Arvind T. Shah	125.00	-	125.00	-
	Vipul P. Shah	175.00	-	175.00	-
	Priyanshu A. Shah	100.00	-	100.00	-
	Rahil V. Shah	75.00	-	75.00	-
Rent Paid	Dinesh T. Shah	0.96	-	0.96	-
	Arvind T. Shah	0.96	-	0.96	-
	Dharmesh D. Shah	0.72	-	0.72	-
	Vipul P. Shah	0.96	-	0.96	-
	Jewel Art	47.49	-	-	-
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	-	30.00	-	30.00
	Arvind T. Shah	-	30.00	-	30.00
	Dharmesh D. Shah	-	20.00	-	20.00
	Vipul P. Shah	-	30.00	-	30.00
Unsecured Loans Taken/(Repaid) -(Net)	Dinesh T. Shah	1,100.00	2,856.00	1,300.00	1,756.00
	Arvind T. Shah	(70.00)	162.80	167.00	232.80
	Dharmesh D. Shah	1,165.88	2,243.88	(285.00)	1,078.00
	Vipul P. Shah	1,676.00	4,647.00	107.00	2,971.00
	Priyanshu A. Shah	(27.00)	397.00	(65.00)	424.00
Contract for Processing of Diamonds	Shah Manufacturers	9,426.29	1,198.03	4,505.18	287.25
Loan given	Asian Star Trading (Hong Kong) Ltd to Asian Star DMCC	650.44	650.44	3,436.45	3,436.45

(Rs. in Lacs)

Particulars	Name of the Party	2017-18		2016-17	
		Volume	Amount Outstanding as on 31.03.2018	Volume	Amount Outstanding as on 31.03.2017
Sale of Jewellery / Sale of Services	Arvind T. Shah	-	-	39.16	-
	Dharmesh D. Shah	-	-	6.69	-
	Priyanshu A. Shah	-	-	17.44	-
	Rahil V. Shah	0.77	0.77	3.88	-
	Arvind T. Shah – HUF	-	-	0.53	-
	Himanshu A. Shah	-	-	84.60	19.60
	Pooja P. Shah	-	-	33.68	-
	Sujata V. Shah	0.94	-	1.26	-
	Rasila A. Shah	-	-	1.52	-
	Dhwani R. Shah	-	-	4.79	-
	Urvi D. Shah	-	-	1.28	-
Purchase of Raw Gold	Arvind T. Shah	-	-	39.07	-
	Priyanshu A. Shah	-	-	0.66	-
	Arvind T. Shah – HUF	-	-	1.37	-
	Pooja P. Shah	-	-	8.16	-
	Rasila A. Shah	-	-	9.08	-
Sale of Machinery	Shah Manufacturers	270.01	-	-	-
	Jewel Art	274.41	-	-	-
Purchase of Assets	Jewel Art	291.84	291.84	-	-
	A'Star Exports	9.01	-	-	-

Note: 1. Sale includes VAT/GST.

2. Increase / decrease in value of Investment is on account of fair valuation of guarantee given.

37. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

During the year the Company has invested in Joint venture, Ratnanjali LLP. The Company's interest in the said LLP is of 45 % share in Profit / Loss of the LLP. The Company has only right over the net assets of the Entity. The net asset is calculated using Equity method of accounting. Joint venture entity of the company is individually not material.

Analysis of the Company's Investment in Joint Venture :

(Rs. in Lacs)

PARTICULARS	AMOUNT
Investments as on 01-04-2017	Nil
Addition during the year	2,224.59
Share of Profit / (loss) (to the extent of Company's share in the joint venture)	(0.52)
Balance as on 31-03-2018	2,224.07

The joint ventures have no significant contingent liabilities to which the Company is exposed, and the Company has no significant contingent liabilities in relation to its interest in the joint ventures. The risks associated with the Company's interest in joint ventures are the same as those identified for the Company.

38. CORPORATE SOCIAL RESPONSIBILITY (CSR)

a) Gross amount required to be spent during the year:

(Rs. in Lacs)

SR. NO.	PARTICULARS	AMOUNT
(i)	By Holding Company	119.93
(ii)	By Subsidiaries	10.11
	Total	130.04

b) Amount spent during the year:

(Rs. in Lacs)

SR. NO.	PARTICULARS	IN CASH	YET TO BE PAID IN CASH	TOTAL
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above			
	By Holding Company	60.19	-	60.19
	By Subsidiaries	-	-	-
	Total	60.19	-	60.19

39. a) The Company has disputed service tax liability of Rs.4.46 crores (For F.Y. 2016-17 it was Rs. 4.46 crores).

b) The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2016-17 it was Rs. 3.32 crores) in respect of Customs duty raised by Commissioner of Customs.

The Company is of the opinion that the demand raised by Service Tax Department & Commissioner of Customs is not tenable and has made appropriate submission to the departments. The Company has received stay order from Gujarat High Court against the demand of Custom Duty. The same shall be charged to Profit & Loss statement, if required, on disposal of the matter.

40. The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the information available with the Company are as under:

SR. NO.	PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

41. EARNING PER SHARE

(Rs. in Lacs)

PARTICULARS	2017-2018	2016-2017
Profit After Tax (Rs. In lacs)	10,913	6,613
Number Of Equity Shares	160,06,800	160,06,800
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share(Basic) (Rs.)	68.18	41.31

42. FINANCIAL INSTRUMENTS DISCLOSURE

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
NON-CURRENT		
Investments – At cost (refer note 2)		
Unquoted, fully paid up In Equity Shares of Other Companies Shares at Cost		
Indian Commodity Exchange Ltd.	1,675.00	1,675.00
Utkarsh Micro Finance Ltd.	117.00	-
Other Investments		
Rantnanjali Infra LLP (Partnership Firm)	2,224.06	-
Aggregate fair value of unquoted investments	4,016.06	1,675.00
Aggregate book value of unquoted investments	4,016.06	1,675.00
Gain / (Loss) on fair value recognised in P&L	-	-
Gain / (Loss) on fair value recognised in Retained earnings	-	-
Loans (Unsecured considered good unless otherwise stated)(refer note 3)		
At Amortised cost		
Loans	-	1,758.75
Other Financial Assets (refer note 4)	121.35	129.28
CURRENT		
i) Investments (refer note 8)		
At Fair Value through Profit and loss		
Classic Diamonds (India) Ltd.	0.01	0.01
Shrenuj & Co Ltd.	0.01	0.03
Winsome Diamonds & Jewellery Ltd.	0.01	0.01
Tribhovandas Bhimji Zaveri Ltd.	-	77.85
Ratnakar Bank Limited	-	138.38
Sovereign Gold Bond Scheme	23.31	5.83
Aarti Industries Ltd	130.04	58.96
Aegis Logistics Ltd	143.66	107.86
APL Apollo Tubes Ltd	104.11	61.09
Asian Oilfield Serv Ltd	35.18	-
Astec Lifescience Ltd	71.17	73.83
Aptech Limited	-	57.45
CCL Products Ltd	-	69.89
Dalmia Bharat Ltd	75.88	51.74
Deep Industries Ltd	-	86.48
Exide Industries Ltd	69.03	69.65
Greenlam Industries Ltd	-	40.07
Gujarat Heavy Chemicals Ltd	-	55.25
Indian Energy Exchange Limited	58.66	-
J.K.Tyre & Industries	64.67	-
KEI Industries Limited	71.38	-
HDFC Bank Ltd	171.65	100.74
Manapuram Finance Ltd	-	89.79
Maruti Suzuki Ltd	167.20	93.98
Neuland Laboratories Ltd	-	96.73
ITD Cementation Ltd	-	66.90
Navin Fluorine International Limited	92.51	73.05
Radio City Ltd	62.37	-
SP Appareals Ltd	-	57.24
Shilpa Medicare Limited	60.65	-
Voltas Limited	56.35	-
Ashok Leyland Limited	58.15	-
BASF India Limited	62.33	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Escorts Ltd	32.72	-
Info Edge India Limited	47.55	-
L&T Finance Holdings Ltd	47.15	-
Piramal Enterprises Ltd	63.68	-
Tata Elexi Ltd	43.83	-
Ujjivan Fin Serv Ltd	51.84	-
United Spirits Ltd	62.51	-
Varun Beverages Ltd	55.57	-
Asian Paints Ltd	3.35	-
Bajaj Finance Limited	4.97	-
Bajaj Finserve Limited	3.72	-
Britania Industries Ltd	4.13	-
Eicher Motors Limited	3.40	-
Gruh Finance Limited	4.49	-
Havells India Limited	3.48	-
HDFC Bank Limited	4.71	-
HDFC Life Insurance Co Limited	1.65	-
Hind Petro Corp Limited	3.25	-
Indusind Bank Limited	4.61	-
Kaveri Seed Co.Limited	2.56	-
Maruti Suzuki Limited	3.63	-
Motherson Sumi Limited	3.79	-
MRF Limited	4.34	-
NBCC India Limited	2.82	-
P I Industries Limited	3.68	-
Peronet LNG Ltd	2.74	-
Ramco Cements Limited	2.60	-
Supreme Industries Limited	3.77	-
AIA Engineering Limited	1.31	-
Bajaj Finance Ltd	5.06	-
Bajaj Finserv Ltd	5.23	-
Balkrishna Industries Limited	4.25	-
Greenlam Industries Limited	3.59	-
Gujrat Gas Limited	4.36	-
Hind Petro Corp Limited	3.82	-
JK Paper Limited	2.58	-
Mas Fin Serv Limited	3.50	-
Minda India Limited	4.00	-
Motherson Sumi S Limited	4.44	-
Nilkamal Limited	2.87	-
Relaxo Footware Limited	4.44	-
Siyaram Silk Mills Limited	3.00	-
Sundaram Finance Limited	4.09	-
Symphony Limited	2.02	-
Tasty Bite Eatables Limited	0.67	-
Timken India Limited	3.52	-
Vardhman Textiles Ltd	3.93	-
Aegis Logistics Limited	6.22	-
Atkem Lab Limited	4.00	-
Au Small Fin Bank	5.85	-
Bayer Cropscience Limited	1.52	-
Birla Corporation Limited	5.95	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Blue Star Limited	3.87	-
Canfin Homes Limited	4.83	-
Development Credit Bank Limited	7.52	-
Dhanuka Agritech Ltd	1.84	-
Dishman Carbigen Ltd	3.37	-
Dr Lal path Limited	2.79	-
Gabriel India Limited	3.71	-
Glaxo Smithline Limited	0.73	-
IIFL Holdings Limited	2.51	-
ITD Cement India Limited	2.66	-
Kajaria Ceramics Limited	3.90	-
Laxmi Vilas Bank Limited	2.97	-
Mahanagar Gas Limited	4.42	-
Quess Corp Limited	7.29	-
Suprajit Engg Limited	1.78	-
TTK Prestige Limited	4.14	-
Reliance Liquid Fund Direct -G	23.63	-
HDFC Small Cap Fund -Direct Growth Plan	72.32	-
Kotak Select Focus Fund-Direct Plan Growth	72.26	-
Motilal Oswal Most Focused Multicap35 Fund	98.71	-
Reliance Liquid Fund- Mutual Fund	1.07	0.08
Aggregate fair value of quoted investments	2,471.45	1,532.90
Aggregate book value of quoted investments	2,346.49	1,120.30
Gain / (Loss) on fair value recognised in P&L	124.96	412.60
ii) Trade Receivables - At amortised cost	92,421.45	86,152.78
iii) Cash and Cash Equivalents (refer note 10)		
Balances with Banks	23,142.63	13,570.10
Fixed Deposits with Banks	6,977.76	7,248.71
Cash on hand	32.10	36.00
iv) Other Bank Balances (refer note 11)	10,332.08	8,645.21
v) Loans & Advances (refer note 12)		
Loans (Unsecured considered good unless otherwise stated) (refer note 12)		
At Amortised Cost		
Unsecured, considered good - At Amortised cost	6,106.48	4,405.53
v) Other Financial Assets (refer note 13)		
Others	7.07	7.42
Derivatives - Foreign Exchange Contracts -At FVTPL	244.39	3,596.91
Total Financial Assets	1,45,872.83	1,28,758.59

FINANCIAL LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
NON-CURRENT		
Borrowings (refer note 16)		
At Amortised cost		
Loan from Others	6.65	6.65
Loans from related parties - Directors	2,253.86	2,500.00
CURRENT		
i) Borrowings (refer note 21)		
At Amortised cost		
Secured working Capital Loan from Banks	69,996.01	77,803.90
Loans from related parties - Directors & Others	12,179.87	17,471.46
ii) Trade Payables (refer note 22)		
At Amortised Cost		
Creditors for Goods	18,224.22	32,201.69
Creditors for Processing	4,613.23	1,498.81
iii) Other Financial Liabilities- At FVTPL (refer note 23)		
Derivatives Foreign Exchange contracts	337.98	75.93
Total Financial Liabilities	1,07,611.82	1,31,558.44

FINANCIAL INSTRUMENTS BY CATEGORY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2018			AS AT MARCH 31, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
FINANCIAL ASSETS						
Non-Current						
Investments	4,016.06	-	-	1,675.00	-	-
Other Financial Assets	-	-	74.95	-	-	74.69
Current						
Investments	2,471.45	-	-	1,532.90	-	-
Trade Receivables	-	-	74,445.22	-	-	63,842.75
Cash and Cash Equivalents	11,088.11	-	-	9,216.03	-	-
Other Bank balances	9,522.82	-	-	8,581.96	-	-
Loans						
To Others	-	-	4,008.58	-	-	1,697.21
to related parties	-	-	255.00	-	-	370.42
Derivatives -	244.39	-	-	3,553.67	-	-
Foreign Exchange Contracts						
FINANCIAL LIABILITIES						
Non-Current						
Borrowings	-	-	2,253.86	-	-	2,500.00
Current						
Borrowings	-	-	74,136.60	-	-	75,407.90
Trade Payables	-	-	2,750.55	-	-	27,776.12
Derivatives -	327.94	-	-	75.93	-	-
Foreign Exchange Contracts						

Note: For Financial assets and financial liabilities that are measured at Fair Value, the carrying amounts are equal to their fair values.

FAIR VALUE RELATED DISCLOSURES:**Fair Value measurement:**

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or market for the asset or liability the principal or the most advantageous market must be accessible by Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation Techniques and Inputs used

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses, if any, of these receivables.
- The fair values of the quoted equity shares are based on price quotations at the reporting date (Level 1 inputs).
- The Company enters into derivative financial instruments in the form of Foreign exchange Forwards & Options contracts. The counterparties of these contracts are Banks. These derivatives constitute hedge from an economic perspective and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly in the revenue from sale of products or purchase in the statement Statement of Profit and Loss. Foreign exchange forward and Option contracts are valued using valuation techniques, which employ the use of market observable inputs. The valuation technique applied is the use of "quoted prices in active markets".
- The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Comparison by class of the carrying amounts and fair value of Financial Instruments

The management assessed that for all Financial Assets and Financial Liabilities, the carrying amounts are equal to the fair value.

FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities: (Rs. in Lacs)

PARTICULARS	Date of Valuation	Total	Fair Value measurement using		
			Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Assets measured at fair value (Note No. 2,8,10,11,13)					
Investments					
Non-Current	31.03.18	4,016.06	-	4,016.06	-
Current	31.03.18	2,471.45	2,471.45	-	-
Cash and Cash Equivalents	31.03.18	30,152.49	30,152.49	-	-
Other Bank Balances	31.03.18	10,332.08	10,332.08	-	-
Derivatives - Foreign Exchange Contracts	31.03.18	251.46	251.46	-	-
Assets for which fair values are disclosed (Note No. 4,9,12)					
Loans (current)					
To others	31.03.18	6,106.48	-	6,106.48	-
Other Financial Assets	31.03.18	121.36	-	121.36	-
Trade Receivables	31.03.18	92,421.45	-	92,421.45	-
Liabilities measured at fair value (Note No. 22)					
Derivatives - Foreign Exchange Contracts	31.03.18	337.98	337.98	-	-
Liabilities for which fair values are disclosed (Note No. 16,20,21)					
Borrowings					
Non-Current	31.03.18	2,260.51	-	2,260.51	-
Current	31.03.18	82,175.88	-	82,175.88	-
Trade Payables	31.03.18	22,837.45	-	22,837.45	-

(Rs. in Lacs)

PARTICULARS	Date of Valuation	Total	Fair Value measurement using		
			Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Assets measured at fair value (Note No. 2,8,10,11,13):					
Investments					
Non-Current	31.03.17	1,675.00	-	1,675.00	-
Current	31.03.17	1,532.90	1,532.90	-	-
Cash and Cash Equivalents	31.03.17	20,854.81	20,854.81	-	-
Other Bank Balances	31.03.17	8,645.21	8,645.21	-	-
Derivatives - Foreign Exchange Contracts	31.03.17	3,604.33	3,604.33	-	-
Assets for which fair values are disclosed (Note No. 4,9,12):					
Loans (current)					
To others	31.03.17	4,405.53	-	4,405.53	-
Loans (non-current)	31.03.17	1,758.75	-	1,758.75	-
Other Financial Assets	31.03.17	129.28	-	129.28	-
Trade Receivables	31.03.17	86,152.78	-	86,152.78	-
Liabilities measured at fair value (Note No.22):					
Derivatives - Foreign Exchange Contracts	31.03.17	75.93	75.93	-	-
Liabilities for which fair values are disclosed (Note No. 16,20,21):					
Borrowings					
Non-Current	31.03.17	2,506.65	-	2,506.65	-
Current	31.03.17	95,275.36	-	95,275.36	-
Trade Payables	31.03.17	33,700.50	-	33,700.50	-

Note 1. Trade Receivables and Trade Payables have been measured at amortised cost but for the purpose of disclosing their fair value related information as per IndAS 113.97, they have been categorised into Level 1 because their carrying values are approximately same as their level 1 based fair value (based on observable market inputs).

Note 2. Borrowings and Loans have been measured at amortised cost but for the purpose of disclosing their fair value related information as per IndAS 113.97, they have been categorised into Level 2 (as per IndAS 113.82) because they have a specified (contractual) term and the inputs are based on quoted prices for similar assets or liabilities in active markets or based on market-corroborated inputs.

Note 3. Other Financial assets have been measured at amortised cost but for the purpose of disclosing their fair value related information as per IndAS 113.97, they have been categorised into Level 1 because their carrying values would be the same as fair value or transaction price.

Other Fair Value related Disclosures

Recurring / non-recurring classification of fair value:

All fair value measurements for the period ended 31/3/2018 and 31/3/2017 are recurring in nature and there are no Non-recurring fair value measurements of assets or liabilities in these periods.

Level 3 inputs related disclosure

There are no recurring fair value measurement using significant unobservable inputs (Level 3) in the reporting periods and hence there is no effect of the measurement on profit or loss or other comprehensive income for the period.

Transfers between Level 1 and Level 2

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy for all assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Change in Valuation techniques, if any

There has been no change in the valuation techniques in the reporting periods.

Financial risk factors

The Company is exposed to a variety of financial risks such as credit risk, liquidity risk and market risk.

Financial risk management is carried out by a finance committee under policies approved and delegated by the Board of Directors. The Board provides written principles for risk management.

The following table outlines the sources and exposure to risks and how the company manages these risks:

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade and other receivables, loans and advances, customer deposits, financial instruments and deposits with banks and financial institutions	Ageing Analysis, Calculation of ECL, Concentration of credit	Ageing Analysis, Credit Ratings, Provision Matrix
Liquidity Risk	Borrowings, interest thereon, trade and other payables	Cash flows measurement	Short Term and Long Term Cash forecasts
Market Risk-Interest rate risk	Variable and Fixed rate borrowings	Sensitivity Analysis	Monitoring of Interest rates
Market Risk- foreign currency risk	Foreign currency transactions	Sensitivity Analysis	Hedging by derivative contracts

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

The Company periodically assesses the financial reliability of customers / corporates taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable and loans receivable. These include customers / corporates, which have high credit-ratings assigned by international and domestic credit-rating agencies. Individual risk limits are set accordingly.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers.

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as at March 31, 2018. Of the total trade receivables, Rs. 78,692 lacs as at March 31, 2018 and Rs. 79,626 lacs as at March 31, 2017 consisted of customer balances that were neither past due nor impaired. The Company's Credit risk management policies include categorizing the loans and trade receivables based on estimates of Probability of Default and calculation of Expected Credit Losses (ECL).

Loans and advances include loans given to staff Rs. 22 lacs as at March 31, 2018 and Rs. 38 lacs as at March 31, 2017 which the company perceives no impairment loss to be provided for.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 20 - 180 days. The ageing of trade receivables that are past due but not impaired is given below:

(Rs. in Lacs)

PERIOD IN DAYS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
1-90	10,578	5,243
91-180	2,331	326
More than 180	820	958
Total	13,729	6,527

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company finances its operations by a combination of retained profits, disposals of assets and bank borrowings. Liquidity risk is managed by short-term and long-term cash flow forecasts.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st March:

Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2018:

(Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
Maturity analysis for Non-Derivative Financial liabilities:				
Borrowings	16,752	46,707	10,677	2,254
Interest on Borrowings	30	-	-	-
Trade payables	13,688	8,553	594	2
Maturity analysis for Derivative Financial Liabilities:				
Net settled derivative contracts – Financial Assets	192	36	17	-
Net settled derivative contracts – Financial Liabilities:	11	62	111	154

Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2017:

(Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
Maturity analysis for Non-Derivative Financial liabilities:				
Borrowings	19,667	43,796	14,341	-
Interest on Borrowings	20	-	-	-
Trade payables	24,481	8,856	360	4
Maturity analysis for Derivative Financial Liabilities:				
Net settled derivative contracts – Financial Assets	3,507	26	10	54
Net settled derivative contracts – Financial Liabilities:	1	74	-	1

Market Risk

Market risks include Interest Rate Risk and foreign Currency Risk. There are no identifiable Commodity Price Risks or Equity Price Risks foreseen in the current reporting period.

Interest Rate Risk

The Company is mainly exposed to the interest rate risk due to its variable and fixed rate domestic and foreign borrowings. The interest rate risk arises due to uncertainties about the future market interest rate on these borrowings.

Foreign Exchange Risk

The Company is exposed to foreign exchange risk principally via:

- transactional exposure that arises from the sales / receivables denominated in a currency other than the functional currency of the Company.
- transactional exposure that arises from the cost of goods sold / payables denominated in a currency other than the functional currency of the Company.
- Foreign currency exposure that arises from foreign currency term loans / Working Capital loans (including interest payable) denominated in a currency other than the functional currency of the Company.

Commodity Risk

The Company is exposed to the commodity rate risk due to uncertainties in availability of Gold and silver for its jewellery operations. Forward contracts for Sale of Gold entered into by the Company and outstanding as on March 31, 2018 covers 93 Kgs. and for purchase of silver covers 30 Kgs. (For F.Y. 2016-17 it was for Sale of Gold 63 Kgs. and for Purchase of Silver Nil Kgs.). Sensitivity analysis for commodity risk is not done as it is not material.

Sensitivity analysis

The sensitivity analysis reflects the impact on income and equity due to financial instruments held at the balance sheet date. It does not reflect any change in sales or costs that may result from changing interest or exchange rates.

Interest rate risk

Exposure of borrowings/(Interest-rate related derivatives, if any) related to interest rate changes:

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Variable rate borrowings		
Bank Loan in Rs. Lacs	16,451	340
Bank Loan in \$ million	82	115

Interest rate risk sensitivity

This indicates the sensitivity to a reasonably possible change in interest rate borrowings:

(Rs. in Lacs)

IMPACT ON PROFIT & LOSS	31.03.2018	31.03.2017
For \$ Borrowings		
Increase in Interest rate - 50 basis points p.a.	(268)	(372)
Decrease in Interest rate - 50 basis points p.a.	268	372
For Rs. Borrowings		
Increase in Interest rate - 75 basis points p.a.	(123)	(3)
Decrease in Interest rate - 75 basis points p.a.	123	3

Foreign Currency risk

Exposure of all Financial Assets and Liabilities to foreign currency risk:

(\$ in million)

PARTICULARS	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
Financial Assets		
Trade Receivables	123	124
Cash and Cash Equivalents	29	17
Derivatives Option contracts (Net)	-	20
Financial Liabilities		
Borrowings	91	119
Trade payables	30	34
Derivatives Forward contracts (Net)	96	639

Foreign currency risk sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(Rs. in Lacs)

Impact on Profit & Loss	31.03.2018	31.03.2017
USD-INR Increase by 1%	(425)	(4,094)
USD-INR decrease by 1%	425	4,094

43. Capital Management

The Company's objectives when managing capital (defined as net debt plus equity) are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and the strategic objectives of the Company. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, buy back shares and cancel them, or issue new shares. The Company finances its operations by a combination of retained profit, bank borrowings, loan from directors, disposals of property assets, etc. The Company uses borrowing facilities to meet the Company's business requirements of each local business.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

The capital gearing ratio as on 31 March 2018 and 31 March 2017 was 46 % and 54 %, respectively.

44. Collaterals

The Company has obtained working capital loan from banks which are secured as on 31.3.2018 by:

- Fixed deposits – Value Rs. 17,268 lacs
- Hypothecation of Stock in trade and Trade receivables – Value Rs. 156,419 lacs
- Mortgage of premises at Mumbai & Surat – Value Rs. 15,731 lacs.

Defaults

For loans payable recognised at the end of the reporting period, there have been no defaults.

45. Net Gain/(loss) on exchange fluctuation as included in total Revenue from Operations & Purchases reflected in the Profit & Loss Statement:

- Revenue from Operations – Rs. 300.86 Crores (for F.Y. 2016-17 it was Rs. 113.62 Crores).
- Purchases – Rs. (92.51) Crores (for F.Y. 2016-17 it was Rs. (18.92) Crores).

46. Segment Reporting

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

(Rs. in Lacs)

Particulars	2017-2018	2016-2017
1. Segment – Revenue		
- Diamonds	3,50,523.34	3,14,811.41
- Jewellery	55,506.43	51,468.61
- Others	1,463.31	1,342.70
Total	4,07,493.08	3,67,622.72
Less: Inter Segment Revenue / Transfer	16,167.37	17,519.93
Net Sales / Revenue	3,91,325.71	3,50,102.79
2. Segment Results		
Profit/(Loss) Before Tax and Interest from each segment		
- Diamonds	13,439.14	8,894.78
- Jewellery	1,828.04	2,107.03
- Others	957.12	801.65
Total	16,224.30	11,803.46
Less:		
i) Finance Costs	3,055.92	2,758.50
ii) Exceptional Item Gain / (Loss)	(503.47)	(44.15)
iii) Other un – allocable expenses	-	-
Total	3,559.39	2,802.65
Total Profit Before Tax	12,664.91	9,000.83
3. Capital Employed		
- Diamonds	66,827.48	57,046.06
- Jewellery	16,085.30	14,597.06
- Others	15,447.63	12,354.98
Total Capital Employed	98,360.41	84,284.75

(a) As per IndAS on Segment Reporting, issued by the Institute of Chartered Accountant of India, the Company has reported segments information on consolidated basis including business conducted by its subsidiaries.

(b) The Company now recognizes two reportable business segments viz. Diamonds and Jewellery. The business which is not reportable during the year has been grouped under 'Others' Segment, this comprises wind energy generation.

47. Financial Information of Subsidiary Companies / Associates:

(Rs. in Lacs)

Reporting Currency	Asian Star Co. Ltd. N.Y.		Asian Star DMCC		Asian Star Trading (Hong Kong) Ltd.		Asian Star Jewels Pvt. Ltd.	Shah Manufa cturers
	USD		USD		USD		Rs.	Rs.
	USD	Rs.	USD	Rs.	USD	Rs.		
Capital	5.00	178.75	0.54	12.01	1.28	57.40	100.00	-
Other Equity	2.66	217.27	354.49	23,594.35	5.14	313.88	2,796.28	*3,331.61
Total Assets	87.38	6,316.63	468.05	31,007.49	249.50	16,228.18	8,732.52	3,602.34
Total Liabilities	87.38	6,316.63	468.05	31,007.49	249.50	16,228.18	8,732.52	3,602.34
Investments	-	-	-	-	-	-	-	-
Turnover/Total Income	278.79	17,980.33	1,730.18	111,584.74	25.92	1,671.94	14,302.55	9,040.17
Profit Before Taxation	0.76	53.09	108.31	6,896.55	1.07	69.11	716.13	21.66
Provision for Taxation	0.08	5.42	-	-	0.04	2.89	123.85	16.29
Profit After Taxation	0.68	47.67	108.31	6,896.55	1.03	66.22	592.28	5.37
Proposed Dividend	-	-	-	-	-	-	-	-
Country	U.S.A		U.A.E		Hong Kong		India	India

* represents credit balance of the partners in the partnership firm

** The above Rs. figures are after adjustments on account of IndAS

48. Investment Property

As on 31/3/2017, the Company had transferred one property from "owner-occupied property" to investment property in accordance with IndAS 40. The accounting policy adopted by the Company for measuring this property was the cost model as prescribed in IndAS 40. There are no direct operating expenses or rental income from this property in the current reporting period. There are no restrictions on the realisability of this property or the remittance of income and proceeds of disposal nor any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Though the Company measures investment property using cost based measurement, the fair value of investment property as on 31.3.17 was Rs. 5,084 lacs. Fair values are determined based on evaluation performed by applying a valuation model by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. However, no significant change in the market value is observed, and management has decided to keep the fair valuation same as of 31.3.17.

49. The figures of previous year have been regrouped / reclassified wherever necessary and possible so as to confirm with the figures of the current year.

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES
Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : May 24, 2018

For and on behalf of the Board

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated : May 24, 2018

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : June 8, 2018

CORPORATE INFORMATION**Board of Directors**

Dinesh T. Shah
Chairman & CFO

Vipul P. Shah
CEO & Managing Director

Arvind T. Shah
Executive Director

Priyanshu A Shah
Executive Director

Rahil V. Shah
Executive Director

Dharmesh D. Shah
Director

K. Mohanram Pai
Director

Apurva R. Shah
Director

Milind H. Gandhi
Director

Anand H. Gandhi
Director

Miyar R. Nayak
Director

Neha Gada
Director

Company Secretary
Aparna Shinde

Subsidiary Companies

Asian Star Company Limited
New York, U.S.A.

Asian Star DMCC
Dubai, U.A.E.

Asian Star Jewels Private Limited
Mumbai, India.

Asian Star Trading (Hong Kong) Limited
Hong Kong.

Bankers

Allahabad Bank

Axis Bank

Andhra Bank

Bank of India

Bank of Baroda

Bank of Maharashtra

Canara Bank

Central Bank of India

Corporation Bank

HDFC Bank

IDBI Bank

Indusind Bank Ltd.

Kotak Mahindra Bank Ltd.

RBL Bank Ltd.

Syndicate Bank

State Bank of India

Auditors

Mahendra Doshi & Associates
Chartered Accountants

Registrar & Transfer Agents

Bigshare Services Pvt. Ltd.,
E - 2 & 3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E), Mumbai 400 072.
Tel: 4043 0200 Fax: 2847 5207.
Email: info@bigshareonline.com

www.asianstargroup.com



Asian Star Company Limited,
114-C, Mittal Court, Nariman Point,
Mumbai - 400 021, India.