



## Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

**Registered Office:** 114-C, Mittal Court, Nariman Point, Mumbai – 400 021.

**Email** - info@asianstargroup.com, **Website** - www.asianstargroup.com, **Tel No:** +91 22 62444111, **Fax:** +91 22 22043747

### NOTICE

Notice is hereby given that the Twenty-Fifth Annual General Meeting of the members of Asian Star Company Limited will be held on Friday, September 27, 2019 at 4.00 p.m. at Sangam Hall, Agarwal Bhavan, 100-C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai-400002 to transact the following businesses:

#### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements (both standalone and consolidated) of the Company for the year ended March 31, 2019, which include the Statement of Profit & Loss and Cash Flow Statement for the year ended March 31, 2019, the Balance Sheet as on that date, the Auditors' Report thereon, and the Directors' Report.
2. To declare dividend on the equity shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mr. Arvind Tarachand Shah (DIN: 00004720), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Dharmesh Dinesh Shah (DIN: 00004704) who retires by rotation and is eligible for re-appointment.

#### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT**, pursuant to the provisions of Section 188 of Companies Act, 2013 and other applicable provisions, if any, of the Act read with the Companies (Meeting of Board and its Powers) Rules, 2014 including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and consent of the Board of Directors and such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to ratify/ approve all existing and proposed contract(s) / transaction(s)/ arrangement(s)/ agreement(s) with Related Parties and on such terms as detailed in the explanatory statement to this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above Resolution.”

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

**“RESOLVED THAT** as recommended by Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, consent and approval of the Company be and is hereby accorded to the re-appointment of and the remuneration being paid or provided to Mr. Dinesh T. Shah (holding DIN 00004685) as Executive Director of the Company for a period of five years with effect from 1st April, 2019 on the following terms :

- Remuneration of Rs 1,25,00,000/- (Rupees One Crore Twenty Five Lacs Only) per annum as per Schedule V of the Act.
- Perquisites and benefits as per Schedule V of the Act.
- Powers and duties as per the provisions of the Articles of Association of the Company.”

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013. and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any

statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Neha Rajen Gada (DIN 01642373), who was appointed as Non Executive & Independent Director and who holds office as an Independent Director up to March 29, 2020 and being eligible, be and is hereby re-appointed as Non Executive & Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 28, 2025.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 and other applicable provisions, if any and in continuation of the resolutions passed at the Annual General meetings for the appointment and payment of remuneration of Mr. Dinesh T. Shah, Executive Chairman & CFO, Mr. Vipul P. Shah, Managing Director & CEO, Mr. Arvind T. Shah, Executive Director and Mr. Priyanshu A. Shah, Executive Director of the Company (“Executive Directors and promoters”) under the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof], the Company do hereby accords its approval to the payment of remuneration in excess of 2.5% of the Net Profit (computed in a manner laid down in Section 198 of the Companies Act, 2013) to each of its Executive Directors and promoters and also payment of remuneration in excess of 5% of the Net Profit to all its Executive Directors for each of the financial years from 2018-19 and onwards, provided the remuneration payable to each of the Executive Directors shall not exceed existing terms and conditions as approved by the members of the Company in General meeting at the time of approving their current tenure of appointment and remuneration.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this Resolution.”

**Place:** Mumbai  
**Date:** May 22, 2019

**By Order of the Board**

**Registered Office:**  
114-C, Mittal Court,  
Nariman Point, Mumbai - 400021.  
(CIN: L36910MH1995PLC086017)

Sd.  
**Dinesh T. Shah**  
**Chairman & CFO**  
(DIN: 00004685)

## NOTES

1. The Explanatory Statement pursuant to Section 102 (1) of the Act, in respect of business under Item No. 5 to 8 set out above is annexed hereto.
2. A route map giving directions to reach the venue of the 25th Annual General Meeting is given at the end of the Notice.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is annexed herewith.

4. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
5. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.
6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Register of Transfers for equity shares will remain closed from September 21, 2019 to September 27, 2019 (both days inclusive) for payment of dividend on equity shares.
8. The dividend as recommended by the Board of Directors, if declared at this Annual General Meeting, will be paid on or after September 27, 2019 to those shareholders whose names appear on the Company's Register of Members at the end of business hours on September 20, 2019. In respect of shares held in electronic mode, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of business hours on September 20, 2019 for this purpose.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries at the registered office of the Company at least seven days in advance of the Meeting so that the information required can be made readily available at the meeting.
10. Members holding shares in physical form are requested to advise any change of address immediately to RTA-Bigshare Services Private Limited. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or RTA-Bigshare Services Private Limited.
11. In accordance with the proviso to Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April 2019, transfer of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

## 12. Unclaimed Dividends

### (a.) Transfer to Investor Education and Protection Fund:

As per the above provisions, unclaimed/ unpaid dividend till the financial year ended March 31, 2012 has been transferred by the Company to the Fund. Members who have not yet encashed their dividend warrant(s) for any subsequent financial years are requested to make their claims to the Company without any delay.

Pursuant to Section 125 of the Act, any amount pertaining to the sale proceeds of fractional shares arising out of issue of bonus shares and remaining unclaimed is also required to be transferred by the Company to the Fund.

Members are also requested to note that, pursuant to the provisions of Section 124 of the Act and the IEPF Rules, the Company is obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to an IEPF Demat Account.

Members/ claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF- 5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fee as decided by the IEPF Authority from time to time. The Member/ Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

**(b.) Details of Unclaimed Dividend on Website:**

Members of the Company are requested to note that as per the provisions of Section 124 of the Companies Act, 2013, dividends not encashed/ claimed by the Members of the Company, within a period of 7 (seven) years from the date of declaration of dividend, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF). Members are requested to Contact Company or RTA to encash the unclaimed dividend.

In order to help Members to ascertain the status of unclaimed dividends, the Company has uploaded the information in respect of unclaimed dividends for the financial year ended March 31, 2012 and subsequent years on the website of Investor Education and Protection Fund, [www.iepf.gov.in](http://www.iepf.gov.in) and under “Investor Relations” Section on the website of the Company, [www.asianstargroup.com](http://www.asianstargroup.com)

13. Copy of the Annual Report for 2019 is being sent to all the members whose addresses are registered with the RTA/Company/Depository Participants(s) for communication purposes. Copies of the Annual Report for 2019 are being sent in the permitted mode.
14. Members desirous of receiving the Documents in electronic mode are hereby requested to write a letter addressed to our registered office address or e-mail us at [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com)
15. Members are requested to correspond with RTA for all matters relating to shareholding in the Company.
16. Members are requested to claim the unclaimed dividend if any, for the below mentioned financial years before the same are due for transfer to Investor's Education & Protection Fund.

Financial Year	AGM Date	Due Date *
2011-12	18th AGM - 05.09.2012	10.10.2019
2012-13	19th AGM - 19.09.2013	24.10.2020
2013-14	20th AGM -12.09.2014	17.10.2021
2014-15	21st AGM - 09.09.2015	14.10.2022
2015-16	22 <sup>nd</sup> AGM – 27.09.2016	02.11.2023
2016-17	23 <sup>rd</sup> AGM - 28.09.2017	03.11.2024
2017-18	24 <sup>th</sup> AGM – 25.09.2018	03.11.2025

\*Indicative dates mentioned above and actual dates may vary.

**17. Voting through electronic means:**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from place other than venue of the AGM) to exercise their right to vote at the 25th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting through poll paper shall also be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Yogesh D. Dabholkar, Practicing Company Secretary (CP No.: 6752) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company and make within 48 hours of the conclusion of the meeting a consolidated scrutinizer's report of the votes cast in favour or against, to the Chairman or to any Director or any person authorized by the Chairman for this purpose, who shall countersign the same.

**The instructions for members for voting electronically are as under:-**  
**(Applicable in all cases whether NOTICE is received by e-mail or in physical form)**

- i. The voting period begins on September 24, 2019 at 9.00 a.m. and ends on September 26, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on September 26, 2019.
- ii. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iii. Click on Shareholders
- iv. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date Of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for ASIAN STAR COMPANY LIMITED on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- xvi. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
18. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company's Share Registrars and Transfer Agents/ their Depository Participants, in respect of shares held in physical/ electronic mode respectively.
19. As per the provisions of the Companies Act, 2013 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Share Registrars and Transfer Agents.
21. The shareholders can also access the Annual Report 2018-19 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., [www.asianstargroup.com](http://www.asianstargroup.com)

**Place:** Mumbai  
**Date:** May 22, 2019

**By Order of the Board**

**Registered Office:**  
114-C, Mittal Court,  
Nariman Point, Mumbai - 400021.  
(CIN: L36910MH1995PLC086017)

Sd.  
**Dinesh T. Shah**  
**Chairman & CFO**  
(DIN: 00004685)

**ANNEXURE TO NOTICE:****STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 5**

Pursuant to Section 188 of the Companies Act, 2013 (“the Act”), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions (“RPT”) exceed such sum as specified in the rules.

As the present and proposed transactions is likely to exceed the threshold as prescribed in the rules therefore the approval of shareholders is sought for the following related party transactions:

<b>Sr. No.</b>	<b>Name of related party &amp; Nature of relationship</b>	<b>Nature of the contract/ arrangement/ transaction</b>	<b>Particulars/ Material Terms of the Contract / arrangement / transaction</b>	<b>Estimated Value of Transaction (Rs. In Crores)</b>
1.	Shah Manufacturers (Enterprise under common control of Key Managerial Personnel)	Contract for processing of Diamonds	Credit period: 0-90 days	200.00
2.	Jewel Art (Unit – II) (Enterprise under common control of Key Managerial Personnel)	Sale of diamonds	Credit period: 0-180 days	10.00
3.	Gemasia B.V.B.A. (Relative of Director)	Sale of diamonds	Credit period: 0-180 days	125.00
4.	A.M. Exports (Relative of Director)	Sale of diamonds	Credit period: 0-180 days	15.00
5.	Gemasia B.V.B.A. (Relative of Director)	Purchase of diamonds	Credit period: 0-180 days	25.00
6.	A.M. Exports (Relative of Director)	Purchase of diamonds	Credit period: 0-180 days	50.00
7.	Directors	Rent paid to Directors	Credit period: 0-30 days	00.05
8.	Directors	Loan from Directors	-	100.00
9.	Directors	Interest on Loan from Directors	-	05.00
10.	Directors / Relative of Directors	Sale / purchase to / from of jewellery / services	-	25.00

Duration of Transactions: Ongoing

In view the above, it is proposed seek approval of the members of the Company through an Ordinary resolution for the above transactions and the related parties shall be abstained from voting on the resolution as set out at Item No. 5.

None of the Directors, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his/ her respective shareholding, if any, in the Company, in the resolution set out in item no. 5 of the Notice.

## ITEM NO. 6

Mr. Dinesh T. Shah (DIN: 00004685) earlier was appointed as Executive Director of the Company for a period of 5 years from 01.04.2014 to 31.03.2019.

Now, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting, approved the re-appointment of Mr. Dinesh T. Shah (DIN: 00004685) as Executive Director of the Company for a period of five years from 01.04.2019 to 31.03.2024 on the following terms :

- Remuneration of Rs 1,25,00,000/- (Rupees One Crore Twenty Five Lacs Only) per annum as per Schedule V of the Act.
- Perquisites and benefits as per Schedule V of the Act.
- Powers and duties as per the provisions of the Articles of Association of the Company.”

Mr. Dinesh T. Shah has attained the age of seventy years on January 16, 2010. The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Dinesh T. Shah (DIN: 00004685) would be beneficial to the Company and it is desirable to continue to avail his services as Executive Director. During his tenure in the Company, he has led the Company's finance function and provided financial stewardship in the areas of financial strategy, large and complex financing in India and overseas, mergers and acquisitions, risk management, controlling, investor relations and taxation. Accordingly, it is proposed to re-appoint Mr. Dinesh T. Shah (DIN: 00004685) as an Executive Director of the Company liable to retire by rotation. There is no change in any terms of his appointment. He continues as a Chief Financial Officer (CFO) of the Company as per the provisions of Companies Act, 2013.

Mr. Dinesh T. Shah (DIN: 00004685) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in Part-I of Schedule V of the Act as also under sub-section (3) of Section 196 of the Act. Mr. Dinesh T. Shah is interested in the resolution set out at Item No. 6 of the Notice. Mr. Dharmesh Dinesh Shah, being related to Mr. Dinesh T. Shah may be deemed to be interested in the said resolution.

The other relatives of Mr. Dinesh T. Shah may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution

## ITEM NO. 7

Mrs. Neha Rajen Gada (DIN 01642373) was appointed as Non Executive & Independent Director of the Company and she holds office as Non Executive & Independent Director of the Company up to March 29, 2020 (“first term”).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mrs. Neha Rajen Gada (DIN 01642373) as Non Executive & Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Mrs. Neha Rajen Gada (DIN 01642373) would be beneficial to the Company and it is desirable to continue to avail her services as Non Executive Independent Director. Accordingly, it is proposed to re-appoint Mrs. Neha Rajen Gada (DIN 01642373) as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Mrs. Neha Rajen Gada (DIN 01642373) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Mrs. Neha Rajen Gada (DIN 01642373) that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.



Mrs. Neha Rajen Gada (DIN 01642373) is interested in the resolutions set out at Item No. 7 of the Notice with regard to his re-appointment. Relatives of Mrs. Neha Rajen Gada (DIN 01642373) may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the members

#### **ITEM NO. 8**

As per Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds ` 5 Crore or 2.5 per cent of the net profits ' of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

At present, on the Board of Directors of the Company, there are four executive directors who are promoters. They are Mr. Dinesh T. Shah, Executive Chairman & CFO, Mr. Vipul P. Shah, Managing Director & CEO, Mr. Arvind T. Shah, Executive Director and Mr. Priyanshu A. Shah, Executive Director. The shareholders have approved remuneration payable to them within the limits as prescribed at that time as per Companies Act, 2013, while approving their appointment which is in excess of 2.5% of the net profits of the Company, individually and more than 5% of the net profits of the Company in aggregate. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Directors including remuneration payable to them till the expiry of their respective term, in order to comply with the above mentioned Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

The Board approved the above proposal at their meeting after considering the valuable contributions of Mr. Dinesh T. Shah, Mr. Vipul P. Shah, Mr. Arvind T. Shah, Mr. Priyanshu A. Shah in the growth of the Company and remuneration prevalent for the similar positions in the companies of the like size.

The Board recommends the special resolution set out at Item No. 8 of the Notice for approval by the Members.

Except Mr. Dinesh T. Shah, Mr. Vipul P. Shah, Mr. Arvind T. Shah and Mr. Priyanshu A. Shah or their relatives none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution

**Brief profile of Mr. Dinesh T. Shah, Mr. Vipul P. Shah, Mr. Arvind T. Shah and Mr. Priyanshu A. Shah here:**

<b>Name of Director</b>	<b>Mr. Dinesh T. Shah</b>	<b>Mr. Vipul P. Shah</b>	<b>Mr. Arvind T. Shah</b>	<b>Mr. Priyanshu A. Shah</b>
<b>Date of Birth</b>	27.03.1947	10.10.1965	16.01.1940	22.03.1976
<b>Expertise in Specific Functional Areas</b>	Finance, Rough Assortment, Production Planning.	Banking & Treasury Operations, Rough Procurement.	Mr. Arvind T. Shah has expert knowledge in manufacturing activities. His broad strategic vision, business acumen and professional conduct have contributed significantly in the success story of the company.	Jewellery Operations.
<b>Qualifications</b>	B. Sc	B. Com	B. Tech	B. Com, A Certified Gemologist from G.I.A., New York.
<b>Other Indian Companies in which Directorship held as on March 31, 2019</b>	<ul style="list-style-type: none"> <li>• Samruddha Gram Vikas Foundation.</li> </ul>	<ul style="list-style-type: none"> <li>• Asian Star Diamonds International Pvt. Ltd.</li> <li>• Asian Star Infotech Pvt. Ltd.</li> <li>• Diamond Exporters Association Limited.</li> <li>• Samruddha Gram Vikas Foundation.</li> </ul>	<ul style="list-style-type: none"> <li>• Asian Star Diamonds International Pvt. Ltd.</li> <li>• Asian Star Infotech Pvt. Ltd.</li> <li>• Samruddha Gram Vikas Foundation</li> <li>• Paresh K Mehta Investment Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Asian Star Infotech Pvt. Ltd.</li> <li>• Samruddha Gram Vikas Foundation</li> </ul>
<b>Chairperson/ Member of the Mandatory Committees of the Board of the Companies on which he/she is a Director as on March 31, 2019</b>	NIL	NIL	NIL	NIL
<b>No. of shares held in the Company</b>	10,00,050 Equity Shares	40,00,050 Equity Shares	15,84,450 Equity Shares	12,15,450 Equity Shares

**Place:** Mumbai  
**Date:** May 22, 2019

**By Order of the Board**

**Registered Office:**  
114-C, Mittal Court,  
Nariman Point, Mumbai - 400021.  
(CIN: L36910MH1995PLC086017)

Sd.  
**Dinesh T. Shah**  
**Chairman & CFO**  
(DIN: 00004685)

**Details of Directors seeking appointment/ re-appointment at the AGM**

<b>Name of Director</b>	<b>Mr. Arvind Tarachand Shah</b>	<b>Mr. Dharmesh Dinesh Shah</b>	<b>Mr. Dinesh Tarachand Shah</b>	<b>Mrs. Neha Rajen Gada</b>
<b>Date of Birth</b>	27.03.1947	02.10.1965	16.01.1940	22.03.1976
<b>Expertise in Specific Functional Areas</b>	Mr. Arvind T. Shah has expert knowledge in manufacturing activities. His broad strategic vision, business acumen and professional conduct have contributed significantly in the success story of the company	Mr. Dharmesh Dinesh Shah 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 diamond market.	Finance, Rough Assortment, Production Planning.	Mrs. Neha Rajen Gada expertise in SEBI regulations, listing/compliances with stock exchange and corporate restructuring.
<b>Qualifications</b>	B. Tech.	B. Com	B. Sc	B. Com., C.A.
<b>Other Indian Companies in which Directorship held as on March 31, 2019</b>	<ul style="list-style-type: none"> <li>• Asian Star Diamonds International Pvt. Ltd.</li> <li>• Asian Star Infotech Pvt. Ltd.</li> <li>• Samruddha Gram Vikas Foundation</li> <li>• Paresh K Mehta Investment Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Asian Star Infotech Private Limited</li> <li>• Samruddha Gram Vikas Foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Samruddha Gram Vikas Foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Anglo-French Drugs &amp; Industries Limited</li> <li>• Tamboli Capital Limited</li> <li>• Dhhanish Advisors Private Limited</li> <li>• Maxplore Centre For Entrepreneurship Private Limited</li> </ul>
<b>Chairperson/ Member of the Mandatory Committees of the Board of the Companies on which he/she is a Director as on March 31, 2019</b>	NIL	NIL	NIL	3
<b>No. of shares held in the Company</b>	15,84,450 Equity Shares	11,50,000 Equity Shares	10,00,050 Equity Shares	NIL

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## Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

**Registered Office:** 114-C, Mittal Court, Nariman Point, Mumbai – 400 021.

**Email -** info@asianstargroup.com, **Website -** www.asianstargroup.com, **Tel No:** +91 22 62444111, **Fax:** +91 22 22043747

### ATTENDANCE SLIP

**25th ANNUAL GENERAL MEETING ON FRIDAY THE 27TH DAY OF SEPTEMBER, 2019 at 4.00 p.m. Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next To Indian Oil Petrol Pump, Mumbai - 400002**

<b>Registered Folio / DP ID &amp; Client ID</b>	
<b>Name &amp; Address of Shareholder</b>	
<b>Joint Holder 1</b>	
<b>Joint Holder 2</b>	

I/We hereby record my/our presence at the 25th Annual General Meeting of the Company on Friday the 27th Day of September, 2019 at 4.00 p.m.

**Name of the Member:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

**Name of the Proxy Holder:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

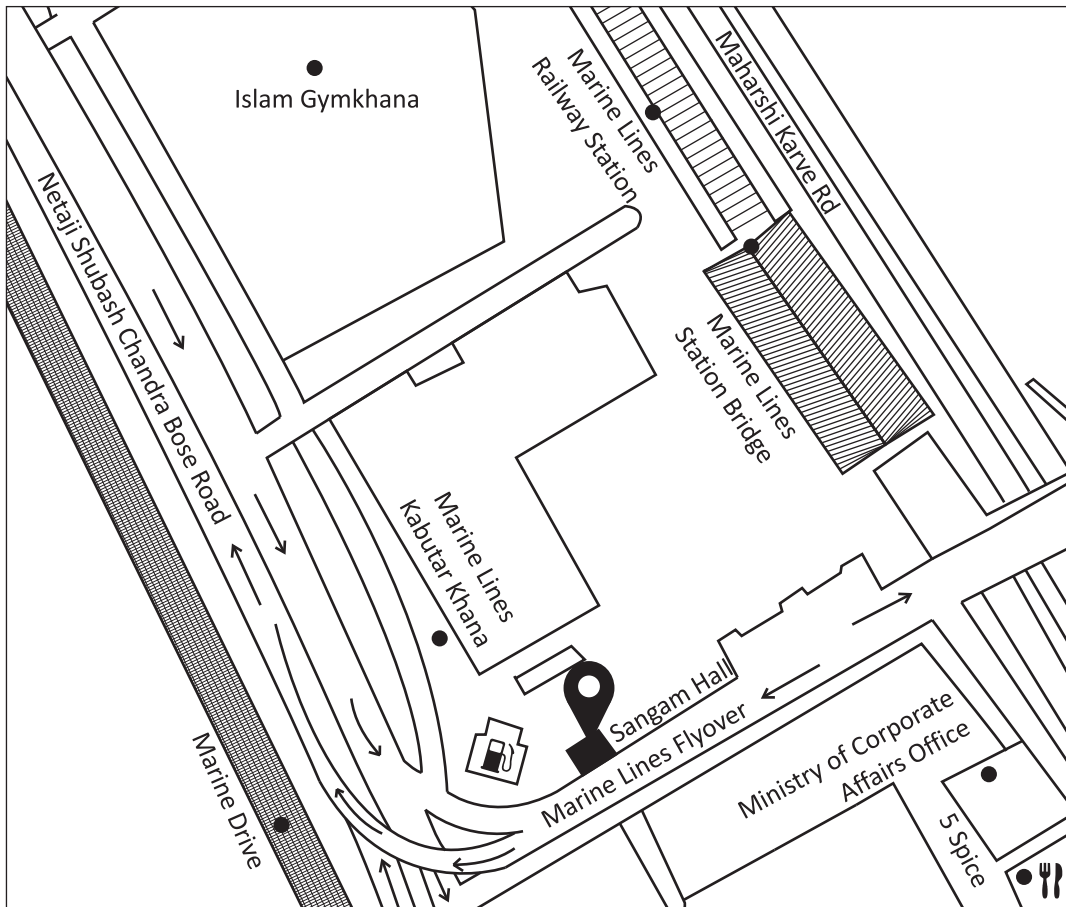
**Note:**

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy please bring copy of Notice and Annual Report for reference at the meeting.

**Venue of AGM:**

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

**Route Map**





## Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

Registered Office: 114-C, Mittal Court, Nariman Point, Mumbai – 400 021.

Email - info@asianstargroup.com, Website - www.asianstargroup.com, Tel No: +91 22 62444111, Fax: +91 22 22043747

### PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act 2013 and rule 19 (3) of the Companies (Management and Administration Rules 2014)

Name of the Member(s) :	
Registered Address :	
Email ID :	
Folio No./ Client ID :	
DP ID :	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

(1) Name \_\_\_\_\_ Email ID : \_\_\_\_\_  
Address \_\_\_\_\_ Signature : \_\_\_\_\_

or Failing him

(2) Name \_\_\_\_\_ Email ID : \_\_\_\_\_  
Address \_\_\_\_\_ Signature : \_\_\_\_\_

or Failing him

(3) Name \_\_\_\_\_ Email ID : \_\_\_\_\_  
Address \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the company, to be held on the Friday, September 27, 2019 at 4.00 p.m. at Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next to Indian Oil Petrol Pump, Mumbai - 400002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description
1.	Adoption of Financial Statements for the year ended March 31, 2019.
2.	Approval of Dividend for the financial year ended March, 31, 2019.
3.	Re-election of Mr. Arvind Tarachand Shah.
4.	Re-election of Mr. Dharmesh Dinesh Shah.
5.	Approval of related party transactions.
6.	Re-appointment of Mr. Dinesh T. Shah as an Executive Director.
7.	Re-appointment of Mrs. Neha R. Gada as an Independent Director of the Company for second term of consecutive five years.
8.	Approval for continuation of payment of remuneration to Executive Directors who are promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix  
1 Rupee  
Revenue  
Stamp

\_\_\_\_\_  
Signature of the Shareholder

\_\_\_\_\_  
Signature of Proxy Holder(s)

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 25th Annual General Meeting.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix  
1 Rupee  
Revenue  
Stamp

\_\_\_\_\_  
**Signature of the Shareholder**

\_\_\_\_\_  
**Signature of Proxy Holder(s)**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 25th Annual General Meeting.



| DIAMONDS  
| **INSPIRE US**



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Diamonds are truly nature's masterpieces. Rare, Beautiful and Precious. They come in various hues and colours as well as many shapes and sizes. Adorned and envied, bejewelled and begrudged, treasured and prized by kings and monarchs, queens and empresses – diamonds have enchanted and enthralled us since history started.

But to the trained eye, which can see beyond their beauty and sparkle, diamonds reveal intrinsic secrets about their attributes and properties which make them so unique.

Our close association of over 45 years has given us the rare opportunity and insight into what it takes to be a diamond –

Resilience and Resolve  
Will and Willingness  
But above all....  
Pride and Belief

Every diamond, from a tiny 10 pointer to a stunning solitaire, is an inspiration. At Asian Star,

## DIAMONDS INSPIRE US



## DIAMONDS ARE FORMED UNDER PRESSURE

Diamonds are formed 100 miles deep inside the earth's surface. When pure carbon undergoes pressure exceeding 725,000 pounds per square inch, it forms into a diamond. It is this amazing ability to withstand pressure and get transformed into a better version that inspires us.

At Asian Star, we have always believed that true mettle is tested only under pressure. During the course of our journey of over 45 years, we have emerged stronger with every challenge and in all high-pressure situations. From difficult market conditions to rising competition, from supply constraints to financial pressure, our resilience and resolve has ensured we emerge and transform into better version of ourselves.

Today, we have built a strong foundation. We have deep product knowledge, experienced management, resilient systems and judicious decision-making. We have state-of-the-art manufacturing and a global distribution footprint. Pressure has only made us stronger.

## DIAMONDS SPARKLE WHEN CUT AND POLISHED

When mined, diamonds are rough and unstructured. The rough transforms into a priceless gem when it undergoes cutting and polishing. It is only when facets are strategically shaped and polished on its surface that a diamond's true potential is unlocked and it evolves from rough into a dazzling, sparkling and shining stone.

At Asian Star, we have constantly worked on learning, improving and refining ourselves. Our leadership today is an outcome of our progressive development – from diamonds to jewellery to working with big retail brands and chains. At every stage in our journey, we have chipped away our weakness, inexperience and inadequacies and transformed these into advantage by adding newer capabilities. From R&D to manufacturing processes and from product to brand, we are ever willing and determined to learn and improve.

## EVERY DIAMOND IS UNIQUELY DIFFERENT

From a small ten pointer to a large solitaire, every diamond is uniquely different. Even though they may be of equal size, each diamond has characteristics unique to itself. It is this uniqueness which makes each diamond so different and rare, priceless and desired.

At Asian Star, we are a unique player in the diamond and jewellery space. We believe in our uniqueness. We are guided by our vision and values. We have never compared ourselves and are confident of our strengths and capabilities. We do not follow. We have always paved our own path with pride and belief and shone in our light...in our unique way.



## RANKING

**294** rank in Dun & Bradstreet's Top 500 Companies in 2019.

## ROUGH SUPPLY PARTNERSHIPS

We abide by a zero-tolerance policy towards conflict diamonds, and to safeguard our pipeline integrity we follow ethical sourcing of rough directly from top mining companies. We also ensure strict adherence to Responsible Jewellery Council (RJC) guidelines.



<sup>®</sup> SIGHTHOLDER™ is a trademark used under licence from The De Beers Group of Companies | <sup>™</sup> Trademark of Dominion Diamond Corporation

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.

## LISTING

₹ 1135 crore Market Capitalisation as on 31st March 2019.

The Company's shares are listed on the Bombay Stock Exchange (Script Code – 531847) in India.

# 2018 - 19 AT A GLANCE

## FINANCIAL HIGHLIGHTS

**TURNOVER**  
₹ **364,219**  
LACS

**EBITDA**  
₹ **18,851**  
LACS

**PAT**  
₹ **11,493**  
LACS

**EPS**  
₹ **72**  
PER SHARE

**BOOK VALUE**  
₹ **672**  
PER SHARE

## SEGMENT WISE REVENUE

**DIAMONDS**  
₹ **304,177**  
LACS

**JEWELLERY**  
₹ **59,439**  
LACS

**POWER**  
₹ **603**  
LACS

**3**  
YEARS  
CONSOLIDATED  
FINANCIAL  
PERFORMANCE

	2018-19	2017-18	2016-17
<b>TURNOVER</b>	364,219	390,503	349,386
- DIAMONDS	304,177	334,404	297,211
- JEWELLERY	59,439	55,459	51,469
- POWER	603	640	706
<b>EBITDA</b>	18,851	18,787	12,871
<b>PAT</b>	11,493	10,913	6,613
<b>EPS (IN ₹)</b>	72	68	41
<b>BOOK VALUE (IN ₹)</b>	672	594	527

(IN ₹ LACS)

## CEO'S REVIEW AND STRATEGIC OVERVIEW



**“Like diamonds, we emerge stronger from pressure. We constantly chip away our weaknesses through continuous learning and development. We have our unique new strengths and competencies that make us shine in our own way.”**

**- Vipul P. Shah**



### DEAR SHAREHOLDERS,

It is always a privilege and a pleasure to present a review of the Company's performance for the year as well as share a strategic overview of the steps we are taking to navigate what is undoubtedly a challenging phase for the industry.

The global economy has been facing rough headwinds since the last few years. Key consumption markets in the US as well as Europe are yet to completely recover from the aftershocks of the global financial crisis. The ripples created by the continued uncertainty in the US over tariff wars with China have been affecting all major economies. The undecided deadlock over Brexit and its impact on UK-Europe trade relations has further added to the already nervous investor and consumer sentiments. Despite this, demand for diamond jewellery continued to grow during the year 2018, although at a marginal rate. The US and China continued to be the key markets driving this moderate growth.

The Indian Gems and Jewellery industry is going through a period of aberration. Impacted by the recent crisis triggered by unethical and unscrupulous activities, the entire industry has borne the brunt. This is both unfortunate and unfair. In my opinion, the Indian diamond trade and industry is founded on solid foundations of trust and buttressed by centuries and generations of faith. This crisis is only a temporary blip that the industry will soon leave behind and move on. The industry in India has faced many challenges from time to time over the years. It has not only overcome these challenges, but more importantly, emerged stronger. During the year, gross exports of gems and jewellery from India was USD 40 billion. Exports of cut and polished diamonds for the year was moderately higher at USD 23.8 billion against USD 23.7 billion in the previous year. However, gold jewellery exports witnessed a spectacular growth of 24.6%, rising from USD 9.67 billion in 2017-18 to USD 12.03 billion in 2018-19.

At Asian Star, we have always been a company that is built on strong values and ethics. While business cycles have their own highs and lows, we believe it is our strict adherence to purpose and principles that has seen us emerge as one of the leading players in the Indian Gems and Jewellery industry. Like diamonds, we emerge stronger from pressure. We constantly chip away our weaknesses through continuous learning and development. We have our unique new strengths and competencies that make us shine in our own way.

Let me now update you on the performance of the Company for the year:

Our Consolidated Turnover for the year was Rs. 3,642.19 crore against Rs. 3,905.03 crore in the previous year. However, our PAT for the year, in spite of a lesser turnover, increased to Rs. 114.93 crore against Rs. 109.13 crore in the previous year. Considering the extremely challenging operating environment during the year, I believe this is a steady financial performance, mirroring our consistent marketing efforts, our financial prudence as well as our operational efficiency.

Looking ahead, I am confident that the industry is on the right track. The demand in the US and China is expected to continue to grow. Demand in India is also expected to pick up driven by the increasingly affluent middle class. Moreover, initiatives taken by the Government like 100% FDI, setting up of Jewellery Park in Mumbai and sustained promotion of Brand India in international markets are all definitive steps in the right direction, aimed at long-term growth of the Gems and Jewellery industry in the country.

Overall, I am quite optimistic. The worse is behind for the industry and all indications point to a positive future ahead. As favourable tailwinds accelerate the momentum, Asian Star is perfectly positioned to leverage its established image and spotless reputation in the industry, and deliver excellent value to all its stakeholders.

My sincere thanks and heartfelt gratitude to our customers, our suppliers, our investors, our bankers, our employees and all our shareholders for their sustained cooperation and support.

Yours sincerely,

**Vipul P. Shah**

CEO & Managing Director

# ABOUT US

## THIS IS ASIAN STAR

At Asian Star, diamonds have inspired every step of our eventful and exciting journey of over 45 years. From humble beginnings in 1971 with a small cutting and polishing unit at Surat, today we are amongst the leading diamond manufacturing companies. Our public listing on the Bombay Stock Exchange in 1996 made us one of the first and few listed companies in the Indian diamond and jewellery space.

With a non-stop focus on learning and development and non-negotiable adherence to values and purpose, Asian Star has expanded vertically as well as horizontally. We have a vertically integrated business model encompassing ethical sourcing from top mining companies, in-house diamond and jewellery manufacturing, dedicated jewellery design teams and a global marketing network connecting to top retail brands.



Manual Polishing



Helium - Polish Check



SURAT  
(Diamond Cutting & Polishing)



MUMBAI  
(Jewellery Manufacturing)

## OUR INTEGRATED VALUE CHAIN FROM ROUGH TO RETAIL



Procurement of rough diamonds from top mining companies.



Cutting and polishing unit at Surat covering 1,00,000 sq. ft., with over 1000 employees.



Three jewellery manufacturing units at Mumbai and Hosur, spread over 50,000 sq. ft.



Global presence at key diamond centres through 21 marketing arms, including three subsidiaries.



Bespoke retailing with our couture diamond boutique and Rendezvous Luxe event.

## OUR PEOPLE 2100 EMPLOYEES



# OUR BUSINESS

## CUTTING AND POLISHING

We have state-of-the art cutting and polishing unit located at Surat. Spread over 1,00,000 sq. ft., it is equipped with the latest equipment and manned by top-rate craftsmen. At the heart of our cutting and polishing is our consistency in delivering quality which has endeared us to leading diamond jewellery manufacturers and retailers all over the world. The Asian Star cut as well as our EX-EX-EX Hearts & Arrows cut and other proprietary customised cuts are today benchmarks in the industry.

## DIAMOND JEWELLERY MANUFACTURING

We progressively built upon our core business of cutting and polishing of diamonds by adding diamond jewellery manufacturing to our capabilities. Complete with in-house designing and merchandising teams, we have emerged as a supplier of choice to leading jewellery brands and retail chains the world over. We have established our niche in the popular segment of bridal and fashion diamond jewellery. Large-scale manufacturing capacity gives us the mass-production edge while, at the same time, our expert craftsmen are able to deliver highly bespoke and customised jewellery to customers.

## JEWELLERY RETAILING

Our couture jewellery boutique, housing prêt diamond jewellery, completes our integrated value chain. For special occasions, we undertake consultations to create customised jewellery. Our annual luxury event in Mumbai – Rendezvous Luxe, showcasing extremely high-end, handcrafted masterpieces, is now a spotlight event.

## POWER






Asian Star has windmills in Maharashtra, Kerala and Tamil Nadu that constitute our modest power business.

## OUR GLOBAL FOOTPRINT

Our global footprint covers major diamond markets. Today, through our 21 marketing arms and subsidiaries, we are present at top diamond procurement centres like Antwerp and Dubai, key consumer markets like the US, China and India, as well as promising new markets in Eastern Europe and South-east Asia.



## OUR VALUES

-  Deeply embedded values of Promoters
-  Highest standards of Corporate Governance
-  Zero-tolerance policy towards conflict diamonds
-  Strict financial discipline and prudence
-  High emphasis on transparency and accountability



## 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 focusing on the overseas business, including procurement of rough, and the financial aspects of the Company.



**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.



**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.



**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.



**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.



**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 & Analysis

### ECONOMIC OVERVIEW

#### Global economy

Following a strong growth in 2017 and early 2018, the global economy contracted in the second half of 2018 amidst trade policy uncertainty and subdued performance across several economies. Resultantly, global economic growth dipped to 3.6% in 2018 compared to 3.8% in 2017. Heightened trade tensions and tariff war between the United States (US) and China, uncertainty in Eurozone over Brexit deadlock, tighter financial conditions and policy uncertainty across advanced economies and emerging markets were the major contributors to the weakness.

Economic growth in the Advanced Economies remained softer at 2.2% in 2018 vis-à-vis 2.4% in 2017. The US economy stood out with growth of 2.9%, in comparison with 2.3% in the previous year, aided by robust consumption growth. This impressive performance marked an acceleration of economic activity amid a tight labour market and moderating investment climate. The Euro area witnessed sluggish growth of 1.8% compared to 2.4%. Activity softened primarily due to muted consumer and business confidence, disruption in car production in Germany owing to new emission standards and fiscal policy uncertainty, elevated sovereign spreads and declining investment in Italy. Additionally, growing concerns about a no-deal Brexit weighed on investment spending within the Euro area.

Emerging Market and Developing Economies grew modestly at 4.5%, after recording a robust growth of 4.8% in the previous year. Led by slower investment, faltering domestic demand and surging US tariffs, China's growth declined from 6.8% in 2017 to 6.6% in 2018. Geopolitical tensions led to weaker activity in the Middle East. Elsewhere, across Argentina and Turkey, the worsening global financial market sentiment and policy tightening softened the growth momentum.

The International Monetary Fund (IMF) expects the challenges in the global economy to persist in the first half of 2019. Consequently, global economic growth is anticipated to slow down to 3.3% in 2019. Buoyed by improvements in the world economy starting second half of 2019, growth is expected to pick up to 3.6% in 2020. Improvement in global financial markets, accommodative monetary policy stance by the US Federal Reserve, ongoing fiscal stimulus in China, fading of temporary bottlenecks in the Euro zone, expectations of a positive outcome of US-China trade negotiations and gradual stabilisation in stressed emerging economies are expected to

drive economic growth in the year ahead.

However, growth in the US is projected to decline slightly in 2019 with the unwinding of fiscal stimulus and protracted government shutdown. Despite this, strong domestic demand is likely to support growth. China and India continue to remain the fast-growing major economies. Indian economy is poised to grow in 2019, benefitting from lower oil prices, moderate inflation and expected impetus from fiscal policy. Partial recovery in commodity prices is likely to augur well for commodity exporters.

Despite the moderate outlook, the global economy will continue to face downside risks led by several factors. Trade and geopolitical scenario will be the key factors to watch. Risks surrounding Brexit, increasing propensity of countries towards inward looking policies and rebuild up of trade tensions and its extension to other sectors have the potential to weigh down growth. Further, large private and public debt in several countries pose financial vulnerabilities. There will be greater necessity to take right policy decisions.

#### Indian economy

India's Gross Domestic Product (GDP) grew at 6.8% in 2018-19, as per the data released by the Central Statistics Office (CSO) estimates. Growth was lower than 7.2% achieved in 2017-18. With key economic policies on track, the Government is likely to focus on their faster implementation. Greater emphasis will be placed on strengthening infrastructure and agriculture development, supporting systemic credit growth and accelerating private sector investment and consumption.

Macro-economic fundamentals have been supported by the implementation of structural reforms, including Insolvency and Bankruptcy framework, GST and the thrust on infrastructure and rural development. This helped foster an environment that boosted investments and eased banking sector concerns. These momentous reforms have translated into significant progress for the economy. India has jumped 23 notches in the World Bank's "Ease of Doing Business" ranking to attain the 77th position among 190 nations. India remains one of the fastest-growing major economies and is expected to rank amongst the world's top three economic powers over the next 10-15 years.

The Interim Union Budget 2019-20 focussed considerably on agricultural development, relief to the middle-class, healthcare for the marginalised and economically weaker sections, infrastructure creation and the ease of doing

business. Prediction of normal monsoon and income support package are expected to augment rural spending and consumption. Lower oil prices, benign inflation and recent appreciation of the Indian rupee will lead to further sustainable economic expansion.

Going forward, IMF estimates India's economic growth to increase to 7% in 2019-20 and 7.2% in 2020-21, aided by a recovery in investment, robust consumption and resilient export performance. This projection, however, is lower by 0.3 percentage points than earlier estimated owing a weaker than expected outlook for domestic demand and low investment. Private investment which has been declining consistently due to corporate debt overhang, is especially an area of concern. Liquidity is a challenge as the banking sector is grappling through bad loans crisis and making the matters worse is the liquidity crisis among NBFCs. Key sectors of construction, real estate and automobiles are witnessing imminent challenges which is preventing take off. The scenario demands the Government to come up with policies and initiatives conducive to growth; higher capital infusion, revival of public private investment and job creation.

## INDUSTRY OVERVIEW

### Global Gems and Jewellery Industry

The Global Gems and Jewellery industry after growing steadily over the last few years led by technology advancement, increasing premium product launches and robust consumer demand witnessed some moderation in 2018. Trade wars amongst the world's largest jewellery markets of the US and China led to some unrest and hence slowdown in several global markets, especially China and Middle East. Though demand in the US which accounts for more than half of the global diamond jewellery market remained strong.

Demand in the US is likely to continue further on the back of healthy GDP growth, employment and wage growth and strong private consumption expenditure. However, the markets of China and India are slowing down. In China, sustained impact of trade wars and the ongoing political unrest in Hong Kong will impact the market. In India, huge unsold inventory along with subdued international demand for polished diamonds led to a sharp decline in rough imports. Following this, De Beers, the largest diamond mining company has also lowered its production forecast for 2019 to 31 million carats from 35.3 million carats in 2018.

### Indian Gems and Jewellery Industry

The Gems and Jewellery industry continues to play a vital role in the Indian economy with contribution of around 7% to

its GDP and 15% to total merchandise exports. The industry, one of the largest in the world, currently employs more than 4.5 mn people and is estimated to be providing employment opportunities to over 8.2 mn people by 2022. The industry is one of the leading foreign exchange earners for the country. The gross exports of gems and jewellery stood at USD 40 bn in 2018-19. UAE, US, Hong Kong, Japan and Europe continue to be the biggest export destinations of the Indian gems & jewellery with the US accounting for nearly one-fourth of the country's total exports.

Given its huge growth potential, the Government has identified the sector as a key focus area for export promotion. It is undertaking proactive steps to accelerate investments, upgrade technology and skills and promote 'Brand India' in the international market. Favourable measures such as 100% Foreign Direct Investment (FDI) and setting up of a huge jewellery park in Mumbai will provide further impetus to the sector. Gem & Jewellery Export Promotion Council has embarked on its initiative of setting up a Common Facility Centres (CFC) in collaboration with the Union Ministry of Commerce and Industry, opening the first facility in Coimbatore, Tamil Nadu. This initiative will go a long way in increasing productivity and improving quality of finished goods.

### Cut and polished diamonds

India continues to be a world leader in manufacturing of cut and polished diamonds. Today, 14 out of every 15 diamonds sold in the world are processed in India. The country's share in global diamond market stands at 65% in value terms and 85% in volume terms. Besides, it's known expertise in small sizes, it has been rapidly gaining recognition for manufacturing of diamonds of larger sizes and fancy shapes and cuts. Most importantly, India has the twin advantage of cost-effectiveness and highly-skilled labour for diamond processing and is buttressed by leveraging modern techniques. Its unique geographic location makes it an ideal one-stop sourcing centre for overseas buyers. As per GJEPC, exports of cut and polished diamonds stood at USD 23.8 bn during 2018-19, marginally higher than USD 23.7 bn in 2017-18.

### Jewellery

Jewellery manufacturing has gained prominence in the last few years with India increasing its capabilities in producing machine made jewellery for mass consumption besides continuing its legacy of being one of the best in handmade jewellery in ethnic as well as contemporary designs. This along with the Government's sharp focus on establishing the nation as a leading exporter of gold and diamond jewellery is enabling the country to steadily becoming a fast-growing

hub for the global jewellery market. Further, the Government has been extending support to the industry by initiating various measures including artisan skill development and encouraging promotion of branded products in the international market. As a result, the Jewellery exports grew by 24.36% to USD 12.02 bn in 2018-19 as compared to US\$ 9.7 bn in 2017-18. The US continued to be the largest consumer of diamonds and jewellery globally. India catered to over 16% of the gems and jewellery demand in the US during 2018-19. Exports from India to the US rose to USD 10.48 bn during the year, up from USD 10.1 bn in the previous year, registering a growth of nearly 4%.

The domestic jewellery market is witnessing an influx of established brands. These brands are not only guiding the organised market, but also creating new growth opportunities. Given the demographic transformation and increasing disposable incomes in India, a larger number of people today prefer branded jewellery. The organised retailers, too, are stepping up marketing and branding initiatives to promote growth and increase market share and lead to exponential growth in the organised jewellery market. Increasing penetration of organised players implies wider and exclusive collection of unique and authentic products.

### Outlook

The outlook for Gems and Jewellery industry appears promising in the long-term, though there are likely to be several short to medium challenges. Dwindling global economic scenario, geopolitical crisis in Hong Kong, and over-supply in the diamond market are likely to weigh down sentiments. Demand in major diamond consuming countries such as the US and India is seen augmenting on account of high demand, growing e-commerce sales, improved consumer confidence and continued investments in marketing and branding initiatives.

India is one of the fastest-growing large economies with a strong growth rate, a momentum that is estimated to sustain over the next decade. Recent positive developments in the domestic economy bode well for the industry. Government's conducive policies to support economic growth will lead to higher disposable incomes, credit growth recovery and spike in rural spending. Further, the ongoing trade war between the US and China, whereby the US raised import duties from China, is likely to benefit India. India with its inherent advantage will be well-placed to capitalise on the opportunity. A combination of all these factors will boost consumption, and augur well for the jewellery industry. However, following the recent defaults in India's diamond industry, banks have tightened credit requirements.

Nonetheless, credit availability has eased for transparent and financially healthy jewellery players. Going ahead, revival in economic environment and growing presence of organised and branded players will propel industry growth.

Under the Vision 2025 programme, the Government has envisaged a target of USD 100 bn for the indigenous gems & jewellery sector, up from the current USD 75 bn. Policy initiatives are aimed towards invigorating the sector, maximising employment opportunities and uplifting exports. Implementation of the new GST regime has translated into significant growth opportunities for organised players. Looking into the future, growth in the sector will primarily be led by penetration of large retailers and brands. Further, online sales are expected to account for 1% to 2% of the fine jewellery market by 2021-22. Growth in online jewellery is increasingly being driven by availability of low-cost jewellery and rising internet penetration rates.

## COMPANY OVERVIEW

Asian Star Company Limited is amongst the world's leading conglomerates delivering quality diamonds since 1971. Headquartered in India, the Company has emerged as one of the leading diamantaires with vertically integrated operations spanning across the entire value chain encompassing sourcing of rough diamonds, diamond cutting and polishing, jewellery manufacturing and distribution and jewellery retailing.

The Company has an extensive global presence with its widespread marketing network in the world's major diamond consuming cities, namely Chicago, New York, Antwerp, Dubai, Shanghai, Hong Kong, Bangkok and Singapore. Supported by a sophisticated infrastructure, highly qualified personnel and dedicated R&D, the Company has cemented its reputation as one of the most trusted and renowned diamond manufacturers. The Company has an arrangement of direct supply of rough diamonds from the top global mining companies. Besides, it has become an approved manufacturer of the world's leading retail brands, reiterating its expert craftsmanship and enduring commitment to quality and integrity.

### Manufacturing Facility for Polished Diamond

The Company has a world-class state-of-the-art manufacturing facility spread over 1 lakh sq. ft. at Surat, Gujarat in India. Engaged in polishing of diamonds, this high technology facility employs over 1000 skilled artisans. With over four decades of industry experience, the production team is immensely skilled to manage the complexities of diamond cutting to achieve optimal yield and deliver

supreme value to the client. Aligned with the global diamond industry norms, the Company provides conflict-free natural diamonds to its clients. Specialising in customised proprietary cuts, the Company has an extensive portfolio of diamonds ranging upto 5 carats in size, and available in all colours and shapes. The Company is recognised for its consistency in quality and cut and its products are acknowledged as 'Asian Star Make' in the industry.

### Manufacturing Facility for Jewellery

The Company has strong competence in jewellery manufacturing, complemented by three manufacturing facilities – two located at SEEPZ and MIDC in Mumbai; and one at Hosur in Tamil Nadu. The manufacturing units are spread across a combined area of 50,000 sq. ft. and are equipped with a production capacity of 7.5 lakh pieces a year. The facility at SEEPZ caters exclusively to the international markets. The jewellery designed here is customized to local trends with trademark precision. The facilities situated at MIDC and Hosur serve the domestic markets. Proven expertise, robust infrastructure, passionate team of creative designers and skilled artisans and advanced technology enables the Company to create resplendent jewellery. The Company follows lean manufacturing processes to minimise production cycle and deliver highest quality products at most competitive rates.

### Distribution

The Company has strategically positioned itself in major diamond trading and consuming centres in Asia, Europe and America with an extensive network of subsidiaries and marketing arms enabling it to create bespoke products. The Company firmly believes in offering the best technical and marketing services in the industry. It provides differentiated services such as specialised quality control programme, access to extensive design bank and design customisation as per market needs. Further, access to information on latest market updates and global design trends enables the Company to innovate and design as per evolving market trends and better serve its clients. With this client centric approach, the Company has established long-standing and trusted relationships with the world's leading brands and retailers.

### Retail

In the niche jewellery retailing segment, the Company has a spacious and luxurious couture diamond boutique, catering exclusively to high net worth individuals (HNIs). Besides offering a wide range of pret diamond jewellery, it undertakes customised orders with jewellery design consultations for special occasions to suit the preferences of discerning customers. The Company also hosts

“Rendezvous Luxe”, its annual luxury event and a couture diamond jewellery extravaganza for Mumbai's elite to showcase its exquisite diamond jewellery. The design conceptualisation for its collections is thematic and inspired from varied sources such as nature, art and history.

### FINANCIAL OVERVIEW

2018-19 was a year of consolidation for the industry and the Company as well. Challenges were many – rising rough prices, sluggish demand in the major consuming centres like China and Middle East, liquidity crunch etc. Hence, margins in diamond segment were under pressure. To overcome the challenge, the Company increased focus in the jewellery business where profitability and potential for growth is higher. The Company's total Income from Operations at consolidated levels stood at Rs. 3,642.19 crores in 2018-19, down 7% from Rs. 3,905.03 crores in 2017-18. The diamond business reported a top line of Rs. 3,041.77 crores in 2018-19, as against Rs. 3,344.04 crores in 2017-18, marking a de-growth of 9.04%. Jewellery business sales grew by 7.18% from Rs. 554.59 crores in 2017-18 to Rs. 594.39 crores in 2018-19. Consolidated PAT (excluding exceptional items and comprehensive income) increased 4% to Rs. 118.40 crores in 2018-19 from Rs. 114.16 crores in 2017-18. The Company's strategy of focusing on the profitable and healthy business has enabled it to generate better profits despite a fall in the revenue. The consolidated net worth of the Company stood at Rs. 1,073.52 crores at the end of the period under review.

### OPPORTUNITIES

#### Increasing demand in US

The US market is undisputedly the world's largest jewellery market and represents more than half of the global diamond jewellery market. Solid growth in disposable incomes and greater consumer spending are likely to augur well for the jewellery industry in the country. The US jewellery market is largely fashion driven. Demand for low-cost modern jewellery will accentuate growth of fashion-driven jewellery products. Moreover, diamond studded jewellery is also contributing to evolving fashion trends of growing millennials in US.

#### E-commerce

The E-commerce industry is expanding rapidly, and the jewellery industry is one of the fastest contributors to its growth. The exponential growth in the online space and increasing popularity of affordable jewellery is increasingly compelling top jewellery players to foray into e-commerce platforms. A wide range of jewellery, with multiplicity in design and materials, quick shipping, numerous payment

options, better price and return policy, attractive discounts and quality assurance are the key factors motivating traditional jewellers to shift to e-commerce channels without the need for physical infrastructure. Today, online shopping of jewellery has become more comfortable with technological advancement and smartphone penetration. It empowers the jewellery industry to reach out to a larger target audience, offer jewellery at reasonable prices and boost sales.

#### Favourable domestic demand

Following disturbance caused by demonetisation and GST, the jewellery segment is showing signs of stability and recovery. The industry is on a high-growth trajectory with changing demographics, rising middle-class population, higher affluence, continued urbanisation and spurt in income levels. Millennials and post-millennials are shaping up the future of the jewellery industry. For the diamond industry, millennials are an important consumer segment. They prefer buying jewellery for fashion rather than for investment. There has also been a perceptible transition in demand for jewellery from wedding and festivals to regular wear and gifting purposes. That apart, diamonds continue to be the most desired precious gem amongst the younger generation for bridal jewellery and engagement. Growth is further fuelled by women empowerment and their willingness for higher spending on fashion statement. Going ahead, GST has been leading to formalisation of the economy, providing ample headroom for growth to organised and branded players. On the macro-economic front, easing inflation, normal monsoon prediction and increasing investments are expected to spur private and rural consumption, and in turn, boost demand for jewellery.

#### Government thrust

The Gems & Jewellery industry is one of the largest industries in India and plays a crucial role in the economy. The industry is extremely export-oriented and labour-intensive and throws tremendous growth opportunities. In view of this, the Government is focussed on creating a conducive environment with favourable policies and measures supporting growth. The Government's move to permit 100% FDI in the sector has resulted in cumulative FDI inflows worth USD 1.15 bn between April 2000 - June 2018 in diamond and gold segment. Gold Monetisation Scheme is aimed at reducing the country's reliance on gold imports to meet domestic demand.

India has emerged as the hub for global jewellery owing to low costs and availability of skilled and creative workforce. Its diamond export industry has attained a leadership position worldwide. The Government's move to establish

Common Facility Centres (CFC) will be instrumental for technological and social transformation of workers and manufacturers engaged in diamond cutting and polishing activities. The launch of the Domestic Council for Gems & Jewellery will unlock the sector's massive potential with the introduction of new ideas and technologies and make the industry more organised and unified. It will also provide a forum for addressing the sector's issues and concerns through policy measures.

Further, a year after GJEPC signed a Memorandum of Understanding (MOU) with Maharashtra Industrial Development Corporation (MIDC), the gems and jewellery industry is set to get India's first ultra-modern and high-tech gems and jewellery park in Navi Mumbai. Spread across 21 acres, the park is being developed on co-operative housing model basis and is likely to be ready by 2022. It will accommodate 4,800 large and small units across the value chain and will be a one-stop hub for all jewellery transactions. It will facilitate in strengthening exports.

Gold hallmarking standards have also been revised by the Bureau of Indian Standards (BIS) to ensure better quality of gold. All these factors will collectively provide a huge fillip to India's gems & jewellery industry.

#### Preference for Branded Jewellery

Majority of the jewellery exports from India is unbranded, resulting in overseas branded jewellers commanding a larger market share. This trend is, however, witnessing a reversal. Branded players are now increasingly making relevant branded jewellery (light jewellery using low carat gold) that meet the demand of brand-conscious overseas consumers and their changing lifestyles. The move is being facilitated by GJEPC which together with the branded players is focused on establishing 'Brand India' to create market for branded Indian jewellery.

In the domestic market as well, there is a growing trend of consumers increasingly preferring branded jewellery driven by their evolving needs for elegant products with supreme quality. They demand high-quality services in an exclusive retail ambience. Trust is another important factor that is driving demand for branded jewellery. Unlike in the unorganised segment, jewellery in the branded segment have reliability in terms of material used and prices. These factors have resulted in the branded jewellery market witnessing unmatched growth.

## RISKS, THREATS AND CONCERNS

### Low margins

The prices of the rough diamonds continued to move upwards through major part of the year only correcting towards end of the year. This coupled with weakening rupee resulted in substantial increase in cost. The price realisation of finished goods are under pressure and not moving up in tandem with the cost due to sluggish demand. This has resulted in further squeezing of already thin margins. However, the scenario is expected to improve in the coming year. To address margin pressures, companies are increasingly focussing on deepening geographical footprint, upscaling e-commerce operations and offering innovative and differentiated products in tandem with evolving preferences.

The Company's lean manufacturing process and outstanding operating efficiencies result in minimal wastages and higher yields. Additionally, the Company undertakes contractual agreements with leading miners to source rough diamonds at competitive rates. Vertically integrated operations allow the Company to provide optimal cost solutions to its customers.

### Liquidity constraints

The Gems & Jewellery industry is highly capital-intensive due to its long working capital cycle. Bank finance is the lifeline of the industry and any slowdown in funding will reduce gems & jewellery exports. The industry is facing a huge liquidity crisis, prompted by several factors forcing lenders to curtail lending and exercise caution in extending credits. Following the recent bank scam, financial defaults and liquidity squeeze in the industry, banks and other financial institutions have become stringent and are insisting on a much higher collateral security against bank finance. The liquidity crunch is severely impacting performance, sales and profitability of the industry players.

To ensure adequate credit availability, the GJEPC has taken up the issue with the finance ministry seeking its intervention to support the industry. The Company has a strong financial base and successful track record, along with a healthy relationship with the bankers. Though the Company is not immune to this, it has adequate bank facilities. Besides, it has substantial reserves and surplus of Rs. 1,057.51 crores and enjoys one of the top credit rankings in the industry assigned by credit rating agency CARE for its bank facilities.

### Growing availability of cheaper substitutes

The fast-paced growth of gem-quality synthetic diamonds poses a huge threat to the industry. Considering the rising prices of diamond, lab-grown diamonds are increasingly

being mixed with natural diamonds, thereby eroding the market share of natural diamonds and shrinking consumers' confidence. The rapid advancement of lab-diamond production technologies is likely to fuel growth of synthetic diamonds. To mitigate the risk of widespread presence of cheaper substitutes, several organisations are investing in machines and processes to detect and prevent adulteration of synthetic diamonds. The concept of certification is rapidly gaining popularity as it gives assurance and confidence to the consumer. To mitigate this risk, the Company deploys advanced equipment to identify synthetic diamonds, assuring the genuine quality of its diamonds.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate and well-framed internal control systems in place commensurate with the size, nature and complexity of its business operations. The internal control framework ensures the Company's resilience and agility in a dynamic business environment. The framework encompasses various aspects of governance, compliance, audit, control and reporting. The Company regularly monitors adherence to all the systems and processes and ensures proper documentation, regular appraisal and updation by internal and statutory auditors. The internal controls ensure the following:

- Effective use and safeguard of resources
- Stringent adherence to policies, procedures and statutes
- Accuracy and completeness 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

The Company recognises its human capital as a key asset and core element of business growth and success. The human resource strategy of the Company is aimed at providing a safe, conducive and engaging work environment, wherein the employees are encouraged to pursue their passion and deliver the best results. The open-door policy of the Company ensures a transparent and inclusive work culture. Periodic skill development and training programs are conducted to build a culture of continuous learning and innovation. Employees are further motivated to directly communicate with the management and share their ideas. Key focus areas include high productivity and growth, greater employee satisfaction and engagement levels and high retention rates. Employees have a sense of belongingness and feel empowered in driving business profitability. The management has expressed sincere appreciation for the efforts of all its employees.

# DIRECTORS' REPORT

## DIRECTORS' REPORT

### Dear Members,

Your Directors are pleased to present the Twenty-Fifth Annual Report on the Business and Operations of your Company together with the Audited Statement of Accounts for the year ended March 31, 2019.

### Financial Results

(Rs. in Crore)

PARTICULARS	2018-2019	2017-2018
Total Sales	2,450.19	2,808.94
Add : Other Income	8.08	10.95
Total Income	2,458.27	2,819.90
Less : Total Expenditure	2,351.47	2,712.13
Operating Profit (PBDIT)	106.81	107.76
Less : Interest and Depreciation	41.98	44.07
Profit before Exceptional Items and Tax	64.82	63.69
Exceptional Items – Income / (Loss)	(3.47)	(4.92)
Profit before tax	61.35	58.77
Provision for Tax	19.29	20.84
Provision for Deferred Tax	1.49	(3.63)
Profit after Tax	40.57	41.56
Other Comprehensive Income	0.13	(0.24)
Total Comprehensive Income	40.71	41.32

### Financial Performance of the Company

The year 2018-19 was a challenging year for the industry and the Company. Your Company has achieved sales of Rs.2,450.19 crores as against that of Rs.2,808.94 crores in the previous year. The Company has been focusing on maintaining the profitable and healthy business that has enabled it improve the profit margins which has increased from 1.48% in FY 2017-18 to 1.66% in FY 2018-19.

### 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, was approved by Hon'ble National Company Law Tribunal by order pronounced on 3rd September, 2018. The financial statements have been regrouped / rearranged to give effect of the merger w.e.f. 1.4.2017.

### 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:

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### 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, 2019 subject to the approval of the members on 27<sup>th</sup> September, 2019. During the year under review, your Company proposes to transfer 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, 2019 stood at Rs. 160,068,000/-

## Deposits

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

## Disclosures relating to Subsidiaries, Associates and Joint Ventures

### A. Performance of Subsidiary Companies

#### 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 18-19 is US \$ 181,663,218 as compared to US \$ 173,017,763 (Previous Year). Profit for the year is US \$ 10,748,576 as compared to US \$ 10,830,758 (Previous Year).

#### Asian Star Company Limited (USA)

Asian Star Company Limited (USA) is in the business of diamond trading and caters to the USA market. Gross Revenue of the Company stood at US \$ 26,199,749 for the year as compared to US \$ 27,879,426 (Previous Year). Net Profit after tax for the year is US \$ 40,481 as compared to US \$ 68,013 (Previous Year).

#### 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 \$ 4,176,956 as compared to US \$ 2,592,430 (Previous Year). Profit after tax is US \$ 113,854 as compared to US \$ 102,663 (Previous Year).

#### Associate Company

#### Shah Manufacturers

Shah Manufacturers engaged in processing of diamond on job work basis. Gross revenue for Current year is Rs. 15,925 Lacs as compared to Rs. 9,036 Lacs (Previous Year). Profit after tax Rs. 37.62 Lacs as compared to Rs. 25.19 Lacs (Previous year).

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

### B. Companies which have ceased to be subsidiary

Asian Star Jewels Private Limited, wholly owned subsidiary has been merged into Asian Star Company Limited as per the scheme of merger approved by Hon'ble National Company Law Tribunal by order pronounced on 3rd September, 2018.

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.

## Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

## Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section, forming part of the Annual 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.

## Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by Central Government of India after the completion of seven years. According to this Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of Rs.1,820/-. Further, 182 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of IEPF rules. The details are provided in the Shareholder Information Section of this Annual Report and are also available on our website at [www.asianstargroup.com](http://www.asianstargroup.com).

## Board Diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender that will help us retain our competitive advantage. The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website at [www.asianstargroup.com](http://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. Mrs. Sujata D. Nadgouda: Company Secretary (w.e.f 13th August, 2018)
4. Mrs. Aparna Shinde: Company Secretary (upto 24th May, 2018)

### Inductions

Mr. Dinesh T. Shah holds the position of Chairman and CFO his term expired on 31st March 2019. He is appointed on the same designation by the Board of Directors. His appointment is subject to the approval of members in the ensuing Annual General Meeting of the Company.

Mrs. Sujata D. Nadgouda was appointed as Company Secretary, KMP and Compliance Officer, effective August 13, 2018.

### Resignations

Mrs. Aparna R. Shinde resigned as Company Secretary, KMP and Compliance Officer, effective May 25, 2018.

## B. Directors:

### Reappointments

In accordance with provision of section 152 of the Companies Act 2013 and Articles of Association of the Company, Mr. Arvind T. Shah and Dharmesh D. Shah retires by rotation at the forthcoming Annual General Meeting. Accordingly Mr. Arvind T. Shah and Dharmesh D. 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.

Based on performance evaluation done by Board of Directors and recommendation of Nomination and Remuneration Committee appointment of Mrs. Neha Rajen Gada (DIN 01642373) as Independent Director whose term will expire on March 29, 2020 and being eligible for appointment as an Independent Director of Company for second term of 5 (five) consecutive years, i.e. up to March 29, 2025 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

## 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(1)(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, 2018, August 13, 2018, November 14, 2018 and February 13, 2019 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.

### Policy on director's appointment and remuneration

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2019, the Board had 12 members, 5 of whom are executive members, 1 a non-executive and non-independent director and 6 independent directors. 1 Independent director of the board is women.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) Section 178 of the Companies Act, 2013, is available on our website at [www.asianstargroup.com](http://www.asianstargroup.com)

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### Committees of the Board

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

- Audit Committee
- Finance Committee
- Corporate Governance Committee

- Stakeholders Relationship 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 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 Directors 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 knowledge to perform the role, time and level of participation.

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](http://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 and the Rules made thereunder, 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 requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

The Company has received confirmation from them to the effect that they are not disqualified for holding the office of the Auditors.

### 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 at its meeting held on May 22, 2019 has appointed M/s V. L. Tikmani and Associates, to undertake the Internal Audit of the Company for the year ended March 31, 2020.

### 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., Practicing Company Secretaries (C.P.No. 6752) to undertake the Secretarial Audit of the Company for the year ended March 31, 2020. 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 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.

### Response to point No. 2

The Company is law abiding entity, and is endeavour 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.

### Response to point No. 3

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 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.

## 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](http://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 2018-19, the Company has generated 176.51 lacs kwh resulting in the sales of Rs. 603 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. 155,820 lacs in foreign exchange by way of exports, dividend and commission and has spent Rs.108,263 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) They 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) They have 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) They have prepared the annual accounts on a 'Going Concern' basis.
- (v) They have 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) They have 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 2019-20.

### Documents placed on the website

The following documents have been placed on the website: [www.asianstargroup.com](http://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 for Preservation Of Documents And Archival Policy
- 15) Fair Disclosure of UPSI
- 16) Policy on Material RPT

### 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. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

During the financial year, 2018-19, 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](http://www.asianstargroup.com)

### Reporting of frauds by auditors

During the year under review, the statutory auditor has not reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

### 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 22, 2019

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 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries for year ended March 31, 2019.

#### PART "A": SUBSIDIARIES

(Rs. in Lacs)

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Exchange Rate / Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
1	Asian Star Co. Ltd. (USA)	01.12.1966	1 USD = Rs. 69.16	178.75	376.64	7264.02	7264.02	-	18333.95	136.18	8.72	127.46	-
2	Asian Star Trading (Hongkong) Ltd.	21.01.2011	1 USD = Rs. 69.16	57.40	465.30	6576.17	6576.17	-	2922.93	80.92	1.2	79.67	-
3	Asian Star DMCC	25.01.2004	1 USD = Rs. 69.16	12.01	32222.82	33582.34	33582.34	-	127123.51	7547.15	-	7547.15	-

Companies/ Bodies Corporate which ceased to be Subsidiary during the financial year 2018-19:

1. Asian Star Jewels Private Limited - This Company has been merged with parent Company Asian Star Company Limited.

#### PART "B": ASSOCIATES

(Rs. in Lacs)

Sl. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or require	Shares of Associate/ Joint Ventures held by the Company on the year end		Networth attributable to Shareholding as per latest audited	Profit or Loss for the year		Description of how there is Significant Influence	Reason why the Associate/ Joint Venture is not consolidated
				No.	Extent of Holding %		Considered in Consolidation	Not Considered in Consolidation		
1	Shah Manufacturers	31.03.2019	01.06.2004	-	-	-	90.49	N.A.	Note-A	N.A.

Note-A: There is a significant influence due to control in business decisions.

For and on behalf of the Board

Dinesh T. Shah  
Chairman & CFO  
DIN:00004685

Place : Mumbai  
Dated : May 22, 2019

**ANNEXURE B**

**EXTRACT OF ANNUAL RETURN  
FORM NO. MGT 9**

As on financial year ended on 31st March 2019  
[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: +91 22 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 diamond studded jewellery	3691	99.67%

**III. Particulars of Holding, Subsidiary and Associate Companies:**

Sr. No.	Name & Address of the Company	CIN	Holding/ Subsidiary /Associate	% of Shares	Applicable Section
<b>A</b>	<b>Indian Subsidiary</b>	-	-	-	-
<b>B</b>	<b>Foreign Subsidiary</b>	-	-	-	-
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)
<b>C</b>	<b>Associate Company</b>	-	-	-	-
1	Shah Manufacturers	-	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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	10800000	0	10800000	67.47	10800000	0	10800000	67.47	0.00
<b>Sub-total(A)(1):</b>	<b>10800000</b>	<b>0</b>	<b>10800000</b>	<b>67.47</b>	<b>10800000</b>	<b>0</b>	<b>10800000</b>	<b>67.47</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) Individual	1150000	0	1150000	7.18	1150000	0	1150000	7.18	0.00
<b>Sub-total (A)(2):</b>	<b>1150000</b>	<b>0</b>	<b>1150000</b>	<b>7.18</b>	<b>1150000</b>	<b>0</b>	<b>1150000</b>	<b>7.18</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>11950000</b>	<b>0</b>	<b>11950000</b>	<b>74.66</b>	<b>11950000</b>	<b>0</b>	<b>11950000</b>	<b>74.66</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
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	713161	0	713161	4.46	713055	0	713055	4.46	(0.00)
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
<b>Sub-total (B)(1):</b>	<b>713161</b>	<b>0</b>	<b>713161</b>	<b>4.46</b>	<b>713055</b>	<b>0</b>	<b>713055</b>	<b>4.46</b>	<b>(0.00)</b>
<b>(2) Non- Institutions</b>									
<b>a) Bodies Corporate</b>	2614648	0	2614648	16.33	2614561	0	2614561	16.33	(0.00)
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	20964	2452	23416	0.15	21122	2302	23424	0.15	0.00
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
<b>c) Others (specify)</b>									
i) Clearing Member	19	0	19	0.00	22	0	22	0.00	0.00
ii) Non resident Indians	50050	0	50050	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	150	0	150	0.00	332	0	332	0.00	0.00
<b>Sub-total(B)(2):</b>	<b>3341187</b>	<b>2452</b>	<b>3343639</b>	<b>20.89</b>	<b>3343745</b>	<b>0</b>	<b>3343745</b>	<b>20.89</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4054348</b>	<b>2452</b>	<b>4056800</b>	<b>25.34</b>	<b>4056800</b>	<b>0</b>	<b>4056800</b>	<b>25.34</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>16004348</b>	<b>2452</b>	<b>16006800</b>	<b>100.00</b>	<b>16004498</b>	<b>2302</b>	<b>16006800</b>	<b>100.00</b>	<b>(0.00)</b>

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. Nirmalaben 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
<b>Total</b>		<b>11950000</b>	<b>74.66</b>	<b>0.00</b>	<b>11950000</b>	<b>74.66</b>	<b>0.00</b>	<b>0.00</b>

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 (01.04.2018)		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	01.04.2018	At the beginning of the year	-	-	784113	4.90
				31.03.2019	At the end of the year	-	-	784113	4.90
2	Nishant Impex Private Limited	768790	4.80	01.04.2018	At the beginning of the year	-	-	768790	4.80
				31.03.2019	At the end of the year	-	-	768790	4.80
3	United India Insurance Company Limited	713161	4.46	01.04.2018	At the beginning of the year	-	-	713161	4.46
				27.04.2018	Sell of shares	(106)	(0.01)	713055	4.45
				31.03.2019	At the end of the year	-	-	713055	4.45
4	Rahil Impex Private Limited	692095	4.32	01.04.2018	At the beginning of the year	-	-	692095	4.32
				31.03.2019	At the end of the year	-	-	692095	4.32
5	Liston Investments Limited	605850	3.78	01.04.2018	At the beginning of the year	-	-	605850	3.78
				31.03.2019	At the end of the year	-	-	605850	3.78
6	Shloka Traders Private Limited	368898	2.30	01.04.2018	At the beginning of the year	-	-	368898	2.30
				31.03.2019	At the end of the year	-	-	368898	2.30
7	Nimesh Piyush Mehta	50000	0.31	01.04.2018	At the beginning of the year	-	-	50000	0.31
				31.03.2019	At the end of the year	-	-	50000	0.31
8	Twinkle Star Investments	49506	0.31	01.04.2018	At the beginning of the year	-	-	49506	0.31
				31.03.2019	At the end of the year	-	-	49506	0.31
9	Surekha Vasantlal Shah	1500	0.01	01.04.2018	At the beginning of the year	-	-	1500	0.01
				12.10.2018	Sell of Shares	(1500)	(0.01)	0	0.00
				31.03.2019	At the end of the year	-	-	0	0.00
10	Rajendra Jayantilal Shah	0	0.00	01.04.2018	At the beginning of the year	-	-	0	0.00
				12.10.2018	Buy of Shares	1500	0.01	1500	0.01
				31.03.2019	At the end of the year	-	-	1500	0.01
11	Vinod Kumar Katyal	1222	0.01	01.04.2018	At the beginning of the year	-	-	1222	0.01
				31.03.2019	At the end of the year	-	-	1222	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	<b>Mr. Vipul P. Shah, CEO &amp; Managing Director</b>				
	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	<b>Mr. Dinesh T. Shah, Chairman &amp; CFO</b>				
	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	<b>Mr. Dharmesh D. Shah, Director</b>				
	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	<b>Mr. Arvind T. Shah, Executive Director</b>				
	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	<b>Mr. Priyanshu A. Shah, Executive Director</b>				
	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	<b>Mr. Rahil V. Shah, Executive Director</b>				
	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	<b>Ms. Sujata D. Nadgouda, Company Secretary</b>				
	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 2018-19

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
<b>Indebtedness at the beginning of the financial year</b>					
i.	Principal Amount	69,996.01	8,759.66	-	78,755.67
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	30.35	-	-	30.35
	<b>Total (i+ii+iii)</b>	<b>70,026.36</b>	<b>8,759.66</b>	<b>-</b>	<b>78,786.02</b>
<b>Change in Indebtedness during the financial year</b>					
•	Addition	-	5,055.27	-	5,055.27
•	Reduction	(15,027.02)	-	-	(12,661.81)
	<b>Net Change</b>	<b>(15,027.02)</b>	<b>5,055.27</b>	<b>-</b>	<b>(9,971.75)</b>
<b>Indebtedness at the end of the financial year</b>					
i.	Principal Amount	54,976.30	13,592.43	-	68,568.73
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	23.04	222.50	-	245.54
	<b>Total (i+ii+iii)</b>	<b>54,999.34</b>	<b>13,814.93</b>	<b>-</b>	<b>68,814.27</b>

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	Executive Director	Executive Director	Executive Director	
		Mr. Vipul P. Shah	Mr. Arvind T. Shah	Mr. Priyanshu A. Shah	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	-	-	-	-	-
	<b>Total (A)</b>	<b>175.00</b>	<b>125.00</b>	<b>100.00</b>	<b>75.00</b>	<b>475.00</b>
	<b>Ceiling as per the Act</b>					<b>645.34</b>

**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	1.03	-	-	1.03
	Total (1)	1.03	-	-	1.03
2	Other Non Executive Director(s)	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)		-	-	1.03
<b>Total Managerial Remuneration (A+B)</b>					<b>476.03</b>
<b>Overall ceiling as per the Act</b>					<b>645.34</b>

**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	1.22	126.22
	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	-	-	-
	<b>Total</b>	<b>125.00</b>	<b>1.22</b>	<b>126.22</b>

**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		

For and on behalf of the Board

Dinesh T. Shah  
Chairman & CFO  
DIN:00004685

Place : Mumbai  
Dated : May 22, 2019

**ANNEXURE C**

**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](http://www.asianstargroup.com)

2. The Composition of the CSR Committee:

- Mr. Arvind T. Shah (Chairman)
- Mr. Dinesh T. Shah (Member)
- Mr. Milind H. Gandhi (Member)

3. Average net profit of the company for last three financial years

The average net profits for the last three years is - Rs. 6261.56 Lacs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The Company is required to spend Rs. 125.23 Lacs - towards CSR for the financial year 2018-19

5. Details of CSR spent during the financial year.

(Rs. in Lacs)

Financial year	(a) 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	(b) Unspent amount
2015-16	110.14	34.00	76.14
2016-17	115.53	27.65	87.88
2017-18	119.92	60.19	59.73

(c) 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 program 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	Raigad (Maharashtra)	1.50		1.50	Through implementing agencies
2	Provision of Educational material	Education	Mumbai, (Maharashtra)	2.00		2.00	
3	Provision of Educational material	Education	Palanpur (Gujarat)	20.00		20.00	
4	Provision of Educational material	Promoting education facilities for poor	Mumbai (Maharashtra)	0.88		0.88	
5	Education of poor in Tribal area	Promoting education facilities for poor	Sambalpur (Odisha)	20.00		20.00	
6	Health & education for rural project	Promoting preventive health care	Bhavnagar (Gujarat)	40.00		40.00	
7	SOS Childrens Villages Of India	Promoting education facilities for tribal children	Mumbai (Maharashtra)	0.32		0.32	
8	SOS Childrens Villages Of India	Promoting education facilities for tribal children	Mumbai (Maharashtra)	1.08		1.08	
9	Social Development Project	Rural Development projects	Mumbai (Maharashtra)	10.00		10.00	
10	SOS Childrens Villages Of India	Eradicating Hunger & Malnutrition	Mumbai (Maharashtra)	0.51		0.51	
11	Mid Day meals to children			0.36		0.36	
		<b>TOTAL</b>		<b>96.65</b>		<b>96.65</b>	

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. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

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 22, 2019

## ANNEXURE D

[PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

1. 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 2018-19:

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	70.26	NIL
2	Arvind T. Shah	Executive Director	50.16	NIL
3	Priyanshu A. Shah	Executive Director	40.13	NIL
4	Rahil V. Shah	Executive Director	30.10	NIL

- b) There is NO increase in remuneration of Chief Financial Officer, NO increase in remuneration of Chief Executive Officer & NO 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:19.80%
- d) The number of permanent employees on the rolls of the Company: 1121\*\* Employees as on March 31, 2019.
- e) Average percentage increase made in salaries of Employees other than the managerial personnel in the financial year was 1.39% whereas there is No increase in the managerial remuneration.
- 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.

2. Information as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Top 10 employees in terms of remuneration drawn during the year

Name of the Employee	Designation	Educational Qualification	Experience (in years)	Date of joining	Age	Previous employment and designation	Remuneration
Vipul P Shah	CEO & MD	B. Com	32 Years	March 7, 1995	51	Not Applicable	17500000
Arvind T Shah	WTD	B. Tech	53 Years	March 7, 1995	72	Not Applicable	12500000
Dinesh T Shah	CFO & Chairman	B.Sc.	57 Years	March 7, 1995	77	Not Applicable	12500000
Hitesh Champaklal Shah	President (Sourcing & Manufacturing)	B. Com.	37 Years	November 1, 1990	58	Not Applicable	10500000

For and on behalf of the Board

Dinesh T. Shah  
Chairman & CFO  
DIN:00004685

Place : Mumbai  
Dated : May 22, 2019

## ANNEXURE E

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**  
[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, 2019 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 2019 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 that there was a shortfall in 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. There was delay in filing certain forms relating to the Investor Education and Protection Fund (IEPF) as prescribed under Section 125 of the Companies Act, 2013.
3. On the basis of the information provided to me, during the year 2017-2018 three directors were disqualified as a director due to non filing of financial statements and Annual Report of a private limited Company where they were directors and their Director Identification Number (DIN) were deactivated. Further, petition seeking restoration of name was filed before National Company Law Tribunal (NCLT) Mumbai Bench. The status of the DIN of three directors has been reactivated in May 2018 by the Ministry of Corporate Affairs after complying with the necessary procedures as prescribed under Condonation of Delay Scheme, 2018.

**I further report that:**

The Board of Directors of the Company is duly constituted with 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 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.

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) 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 approved by National Company Law Tribunal, Mumbai Bench ("NCLT") vide order pronounced on 3rd September, 2018.

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 22, 2019

## 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 22, 2019

# REPORT ON CORPORATE GOVERNANCE



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-2019

### 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

#### a) 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.

We believe that our board needs to have an appropriate mix of executive, non-executive and Independent Directors. Board of Directors, as on 31.03.2019 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.

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 and 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 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 Companies Act, 2013. 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 holds office in more than 20 companies and in more than 10 public companies.

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.

**b) Attendance of Board of Directors:**

Name	DIN	Category	Board Meetings attended	Last AGM attendance
Dinesh T. Shah	00004685	Promoter Executive Chairman	4	Yes
Arvind T. Shah	00004720	Promoter Executive Director	4	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	4	No
K. Mohanram Pai	00007198	Independent - Non-Executive Director	3	Yes
Apurva R. Shah	00004781	Independent - Non-Executive Director	4	Yes
Milind H. Gandhi	01658439	Independent - Non-Executive Director	3	Yes
Anand H. Gandhi	01668879	Independent - Non-Executive Director	1	Yes
Miyar R. Nayak	03352749	Independent - Non-Executive Director	3	Yes
Neha Rajen Gada	01642373	Independent - Non-Executive Director	2	Yes

**c) Number of other board of directors or committees in which director is a member or chairperson.**

Name	DIN	Category	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
Dinesh T. Shah	00004685	Promoter Executive Chairman	-	-	-
Arvind T. Shah	00004720	Promoter Executive Director	-	-	-
Dharmesh D. Shah	00004704	Promoter Non-Executive Director	-	-	-
Vipul P. Shah	00004746	Promoter Executive Director	-	-	-
Priyanshu A. Shah	00004759	Promoter Executive Director	-	-	-
Rahil V. Shah	06811700	Executive Director	-	-	-
K. Mohanram Pai	00007198	Independent - Non-Executive Director	1	-	3
Apurva R. Shah	00004781	Independent - Non-Executive Director	3	1	2
Milind H. Gandhi	01658439	Independent - Non-Executive Director	1	-	1
Anand H. Gandhi	01668879	Independent - Non-Executive Director	-	-	-
Miyar R. Nayak	03352749	Independent - Non-Executive Director	1	1	-
Neha Rajen Gada	01642373	Independent - Non-Executive Director	2	2	-

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

**d) Name of the listed entities where person is the director and category of directorship**

Name	DIN	Name of other listed entities where the person is the director	Category of directorship
Dinesh T. Shah	00004685	NIL	NA
Arvind T. Shah	00004720	NIL	NA
Dharmesh D. Shah	00004704	NIL	NA
Vipul P. Shah	00004746	NIL	NA
Priyanshu A. Shah	00004759	NIL	NA
Rahil V. Shah	06811700	NIL	NA
K. Mohanram Pai	00007198	Sovereign Diamonds Limited	Independent - Non-Executive Director
Apurva R. Shah	00004781	Steel Cast Limited	Independent - Non-Executive Director
		Fine-Line Circuits Limited	Independent - Non-Executive Director
Milind H. Gandhi	01658439	Glance Finance Limited	Independent - Non-Executive Director
Anand H. Gandhi	01668879	NIL	NA
Miyar R. Nayak	03352749	P C Jeweller Limited	Independent - Non-Executive Director
Neha Rajen Gada	01642373	Tamboli Capital Limited	Independent - Non-Executive Director
		Anglo-French Drugs & Industries Limited	Independent - Non-Executive Director

**e) Board Meetings:**

During the year 4 (Four) meetings (Dates of Meeting 24.05.2018, 13.08.2018, 14.11.2018, 13.02.2019) were held and necessary quorum was present during all the meetings.

**f) Disclosure of relationships between directors inter-se:**

Sr. No.	Name of the Director	Relation with other Directors
1.	Dinesh Tarachand Shah & Dharmesh Dinesh Shah	Father and Son
2.	Arvind Tarachand Shah & Dinesh Tarachand Shah	Brothers
3.	Arvind Tarachand Shah & Priyanshu Arvind Shah	Father and Son
4.	Vipul Prabodh Shah & Rahil Vipul Shah	Father and Son
5.	Dinesh Tarachand Shah & Vipul Prabodh Shah	Uncle & Nephew
6.	Arvind Tarachand Shah & Vipul Prabodh Shah	Uncle & Nephew

**g) Number of shares and convertible instruments held by non-executive directors:**

Sr. No.	Name of the Director	Category	No. of Shares held
1.	Dharmesh Dinesh Shah	Non-Executive - Non Independent Director	1150000

The Company has not issued any convertible instrument.

**h) 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 Familiarization programme for Independent Directors is disclosed on the Company's website ([www.asianstargroup.com](http://www.asianstargroup.com)) under Corporate Governance segment.

**i) Skills/expertise/competence of the board of directors:**

All Directors possess relevant qualifications, skills, expertise and competence which enable them to effectively contribute to the Company in their capacity as Directors.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership
- Strategic Planning, Operational experience
- Production and Marketing
- Industry Experience, Research and Development and Innovation
- Financial, Regulatory / Legal & Risk Management
- Global Business, Business Acumen
- Corporate Governance

**j) Independent Directors:**

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations; Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

**k) Separate Meeting of Independent Directors:**

Pursuant to Schedule IV of the Act read with Regulation 25(3) of the Listing Regulations, the Independent Directors met on March 11, 2019 without attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the

performance of Chairman of the Company based on the views of Executive and Non-Executive Directors. The Independent Directors also discussed on the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

### I) 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.

### 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.

#### A) 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:

- 1) To review compliance with internal control systems
- 2) To review the findings of internal auditor relating to various functions of the company
- 3) 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;
- 4) To review quarterly, half yearly and annual financial statements before submission to the Board for approval
- 5) To review performance of the statutory and internal auditors, adequacy of the internal control systems;
- 6) 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;
- 7) 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.

- 8) 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 is given below:

Name	Designation	Category	No. of Committee Meetings Attended
Mr. K. Mohanram Pai	Chairman	Independent - Non-Executive Director	3
Mr. Apurva R. Shah	Member	Independent - Non-Executive Director	4
Mr. Arvind T. Shah	Member	Executive Director	4
Mr. Miyar Ramanath Nayak	Member	Independent - Non-Executive Director	3

During the year 4 (Four) meetings were held and necessary quorum was present during the all meetings. Dates of the meetings : 24.05.2018, 13.08.2018, 14.11.2018, 13.02.2019

The previous Annual General Meeting of the Company which was held on September 25, 2018 was attended by Chairman of the Audit Committee.

#### B) Nomination & Remuneration Committee

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

Name	Designation	Category	No. of Committee Meetings Attended
Mr. Milind H. Gandhi	Chairman	Independent - Non-Executive Director	2
Mr. Miyar Ramanath Nayak	Member	Independent - Non-Executive Director	2
Mr. Apurva R. Shah	Member	Independent - Non-Executive Director	2

During the year 2 (Two) meetings were held and necessary quorum was present during the all meetings. Date of the Meetings: 24.05.2018 & 13.02.2019

Your Company has framed policy on Nomination & Remuneration; the same is displayed on the website of the Company ([www.asianstargroup.com](http://www.asianstargroup.com)) under Corporate Governance segment.

Payment of remuneration to all the Executive Directors is recommended by the Nomination & Remuneration Committee after reviewing the abilities and contribution of the individual Directors. Non-Executive Independent Directors were paid sitting fees within the limits prescribed under the Act. Pecuniary relationship and transactions with Non-Executive Director is mentioned in financial statements of the company. There is no payment made to non-executive non independent director.

The details of actual payments made during the financial year 2018-19 to the Executive Directors of the Company are given below:

Name	Designation	Gross Salary (Rs. in Lacs)
Dinesh T. Shah	Executive Chairman & CFO	125
Vipul P. Shah	CEO & Managing Director	175
Arvind T. Shah	Executive Director	125
Priyanshu A. Shah	Executive Director	100
Rahil V. Shah	Executive Director	75

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 fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

### C) 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 Meeting Attendance
K. Mohanram Pai	Chairman	1
Apurva R. Shah	Independent - Non-Executive Director	2
Arvind T. Shah	Executive Director	2

The Company Secretary acts as Secretary to the Committee.

During the year 2 (Two) meetings were held and necessary quorum was present during the all meetings. Date of the Meetings: 13.08.2018 & 13.02.2019

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

### Company Secretary and Address for Correspondence

Name & Designation	Telephone Number	Email - id	Fax No.
Sujata Deepak Nadgouda (Company Secretary)	+91 22 6244 4111	secretarial@asianstargroup.com	+91 22 2204 3747

### D) Corporate Governance Committee

The following are the committee members:

Name	Designation
Miyar R. Nayak	Chairman
K. Mohanram Pai	Independent - 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.

### E) 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

### F) 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 under Corporate Governance segment. The Report on CSR activities for the year 2018-19 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 - Non-Executive Director	Member	2

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

### IV General Body Meetings

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

Year	Venue	Date	Time
2015-16	Sangam Hall, Mumbai	September 27, 2016	4.00 pm
2016-17	Sangam Hall, Mumbai	September 28, 2017	4.00 pm
2017-18	Sangam Hall, Mumbai	September 25, 2018	4.00 pm

ii) Company has passed special resolutions in the previous three annual general meetings. Details of the same as below:

Date of the Meeting	Summary of special resolution
September 27, 2016	Appointment of Mr. Vipul P. Shah as a CEO and Managing Director of the Company for a term of five years. Appointment Mr. Arvind T. Shah as an executive director of the company for a term of five years. Appointment of Mr. Priyanshu A. Shah as an executive director of the company for a term of five years. Increase in the remuneration of Mr. Rahil V. Shah (Executive Director)
September 28, 2017	Approval under Section 186 of the Companies Act, 2013 for loans and investment.
September 25, 2018	Setting of investment limits under Section 186 of the Companies Act, 2013 for loans and regularisation and appointment of Mr. Anand Gandhi as an Independent Director of the Company for term of consecutive five years. Re- appointment of Mr. Rahil V. Shah as an Executive Director. Re-appointment of Mr. Miyar R. Nayak as an Independent Director of the Company for second term of consecutive five years. Re-appointment of Mr. Kundapur Mohanram Pai as an Independent Director of the Company for second term of consecutive five years. Approval for continuation of Mr. Kundapur Mohanram Pai as Non-Executive Independent Director in view of SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018. Re-appointment of Mr. Apurva R. Shah as an Independent Director of the Company for second term of consecutive five years. Re-appointment of Mr. Milind H. Gandhi as an Independent Director of the Company for second term of consecutive five years.

- iii) No Special resolution was passed last year through postal ballot.
- iv) No Special resolution proposed to be conducted through postal ballot.

#### V Means of Communication:

The Company publishes its quarterly, half yearly financial results in national and regional newspapers which includes Free Press Journal and Navshakti. The Company also uploads financial results to Stock Exchange immediately after its approval by the Board in terms of the requirements of the Listing Regulations. Company displays its results and official news releases on the Company's website: [www.asianstargroup.com](http://www.asianstargroup.com).

#### VI Other 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. The Company has adopted Related Party Transaction policy, as approved by the board, is uploaded on the website of the company. <http://www.asianstargroup.com/corporate-governance.aspx>
- 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) 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
- v) The Company has formulated a mechanism for employees to report about unethical behaviour, 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.
- vi) Policy determining Material Subsidiary is disclosed on company's website at <http://www.asianstargroup.com/corporate-governance.aspx>.
- vii) Certificate on Corporate Governance- Annexed herewith.
- viii) 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.
- ix) The Company has transferred 182 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.
- x) 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.
- xi) Disclosure of Commodity price risks / Foreign Currency Risk and hedging activities: The Company is subject to commodity price risks due to fluctuations in the prices of gold. Also it is subject to foreign currency risk as it is involved in import and export of goods. The Company has risk management policies and framework in place for identification and mitigation of these risks. The Fluctuation in prices of gold and exchange rates are being closely monitored by the team of experienced professionals and are hedged by entering into forward contracts.
- xii) During the year company has not raised any fund through preferential allotment or qualified institutional placement.

#### 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 2018-19 and Notice of 25th 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 2018-19 is being sent in the permitted mode.

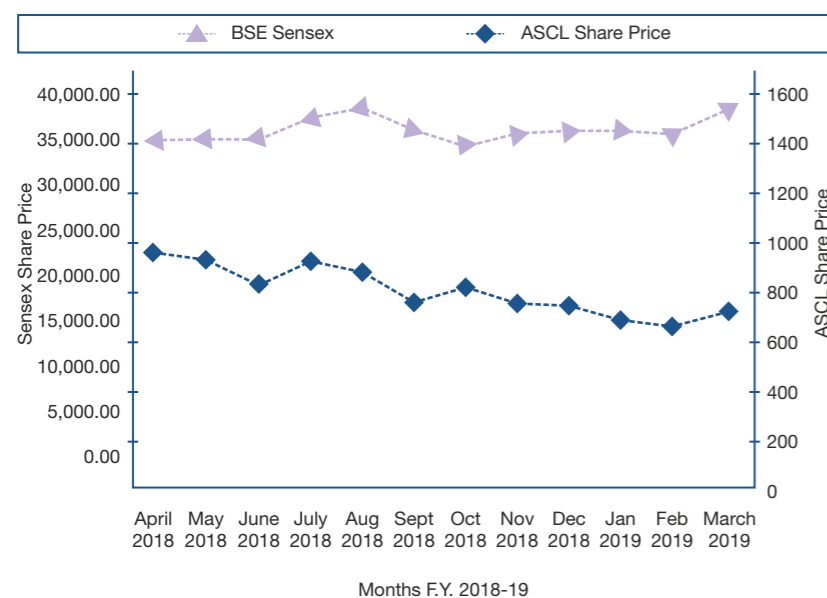
To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form 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 27, 2019 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 - First quarter - Second quarter/Half year - Third quarter - Audited Annual Results	(Tentative Schedule) First week of August, 2019 First week of November, 2019 First week of February, 2020 Last week of May, 2020
3	Book Closure Date	September 21, 2019 to September 27, 2019 (Both the day 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 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023. Listing fees as applicable has been paid.
6	Stock Code	531847
7	ISIN number for NSDL & CDSL	INE194D01017
8	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



Closing	Sensex	ASCL
April' 18	35160.36	958.20
May' 18	35322.38	925.00
June' 18	35423.48	824.00
July' 18	37606.58	916.00
Aug' 18	38645.07	881.00
Sep' 18	36227.14	755.50
Oct' 18	34442.05	810.00
Nov' 18	36194.30	751.10
Dec' 18	36068.33	738.00
Jan' 19	36256.69	681.45
Feb' 19	35867.44	651.00
Mar' 19	38672.91	709.00

## 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' 18	1,057.95	880.00	October' 18	958.95	729.95
May' 18	1,000.00	803.30	November' 18	921.00	696.00
June' 18	1,059.95	810.00	December' 18	829.95	655.00
July' 18	1,081.00	724.00	January' 19	823.00	646.10
August' 18	1,062.00	712.10	February' 19	740.00	740.00
September' 18	898.00	696.00	March' 19	630.00	745.30

## 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, 2019:

No. of Shares	No. of Share Holders	% of Total Share Holders	No. of Shares	% of Total Shares
1-500	487	94.7471	15198	0.0949
501-1,000	8	1.5564	5570	0.0348
1,001-2,000	3	0.5837	3725	0.0233
2,001-3,000	-	-	-	-
3,001-4,000	-	-	-	-
4,001-5,000	-	-	-	-
5,001-10,000	-	-	-	-
10,001 & above	16	3.1128	15982307	99.8470
<b>Total</b>	<b>514</b>	<b>100</b>	<b>1600800</b>	<b>100.00</b>

Note: The details given above are as per BENPOS received from Bigshare Services Private Limited, Registrar and Share Transfer Agent dated March 31, 2019.

## XIII Categories of equity shareholding as on March 31, 2019:

Category	No of shares held	% of total shares held
Promoters	11950000	74.65
Body Corporates	2614561	16.33
Indian Public	23424	0.15
NRI & OCB's	705406	4.40
FII's	-	-
Clearing Member	22	0.00
Insurance Companies	713055	4.45
Central Government/ State Government(s)/ President of India	332	0.00
<b>Total</b>	<b>16006800</b>	<b>100.00</b>

## 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.

16,004,498 equity shares i.e. 99.98 % of equity shares have been dematerialized up to March 31, 2019.

## XV Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2019, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

## XVI 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, 2019.

For Asian Star Company Limited

Dinesh T. Shah  
Chairman & CFO  
DIN: 00004685

Place : Mumbai  
Date : May 22, 2019

**CEO AND CFO CERTIFICATION**

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

We, Vipul P. Shah, MD and CEO 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, 2019 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 violative 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 we 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 : May 22, 2019

Dinesh T. Shah  
Chairman & CFO  
DIN: 00004685  
Place : Mumbai  
Date : May 22, 2019



## 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, 2019 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 subject to the following observation:

That on the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act however, during the year 2017-2018, three directors were disqualified as a director due to non filing of financial statements and Annual Report of a private limited company where they were directors and their Director Identification Number (DIN) were deactivated. Further, petition seeking restoration of name was filed before National Company Law Tribunal (NCLT) Mumbai Bench. The status of the DIN of three directors has been reactivated in May 2018 by the Ministry of Corporate Affairs after complying with the necessary procedures as prescribed under Condonation of Delay Scheme, 2018.

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 22, 2019

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS  
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Asian Star Company Limited having CIN L36910MH1995PLC086017 and having registered office at 114-C, Mittal Court, Nariman Point, Mumbai – 400 021 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority. On the basis of the information provided to me, three directors were disqualified as a director due to non filing of financial statements and Annual Report of a Private Limited Company where they were directors and their Director Identification Number (DIN) were deactivated for some period. The status of the DIN of three directors has been reactivated in May 2018 by the Ministry of Corporate Affairs after complying the necessary procedures as prescribed under Condonation of Delay Scheme, 2018.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Dinesh Tarachand Shah	00004685	07/03/1995
2.	Dharmesh Dinesh Shah	00004704	07/03/1995
3.	Arvind Tarachand Shah	00004720	07/03/1995
4.	Vipul Prabodh Shah	00004746	07/03/1995
5.	Priyanshu Arvind Shah	00004759	01/11/2004
6.	Apurva Rajendra Shah	00004781	24/09/1999
7.	Kundapur Mohanram Pai	00007198	18/03/1995
8.	Neha Rajen Gada	01642373	30/03/2015
9.	Milind Hasmukh Gandhi	01658439	16/10/2008
10.	Anand Hasmukh Gandhi	01668879	10/08/2017
11.	Miyar Ramanath Nayak	03352749	17/01/2014
12.	Rahil Vipul Shah	06811700	17/01/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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

Place : Dombivli  
Date : May 22, 2019

FCS No: 6336. COP No: 6752.

## FINANCIAL SECTION

### INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF ASIAN STAR COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Asian Star Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Gems &amp; Jewellery is highly working capital-intensive industry and Inventory is a major component of it. Inventory mainly consists of Rough Diamonds, Cut &amp; Polished diamonds, Jewellery, Gold and other precious metal and precious and semi-precious stones.</p> <p>Cut &amp; Polished Diamonds not being a standardized product requires specialized skill and knowledge for valuation.</p> <p>Because of the above reasons we have identified inventory as Key audit matter.</p>	<p>In view of the significance of the matter, we have applied the following audit procedures in this area, among other procedures to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> <li>- We assessed the appropriateness of the inventories accounting policies and its compliances with the applicable accounting standards.</li> <li>- We evaluated the key controls with respect to the movement of inventory and its recording. There are sufficient and effective controls in the IT systems recording movement from manufacturing to sales.</li> <li>- Inventory of cut &amp; polished diamonds is valued using Specific Identification method and in smaller sizes where it is not possible, the valuation is done using Retail Method.</li> <li>- We evaluated reasonableness of the management's assessment of net realizable value which is substantiated by the valuation done by a government approved valuer.</li> </ul>

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 Ind AS specified under Section 133 of the Act, read with Companies ( Indian Accounting Standards ) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197.
  - h) 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, as amended, 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 standalone 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, 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 22, 2019

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Asian Star Company Limited)

1. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The title deeds of the immovable properties are in the name of the Company.
2. The stocks of finished goods and raw-materials have been physically verified by the management at the reasonable intervals during the 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. According to the information and explanations given to us, the Company has not granted unsecured loans to any bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013. In view of this sub clause (a), (b) and (c) of this clause are not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions, which attract provision of Sections 185 and 186 of the Act in respect of loans, investments guarantees and securities.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
7. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the Statute	Nature of the Dues	Forum where the dispute is pending	Period to which the amount relates	Amount in Rs. Crores	Remarks (if any)
The Finance Act, 1994	Service Tax	Appellate Tribunal	May 06 to September 12	8.04	-
The Customs Act, 1962	Custom Duty and Interest	Commissioner of customs	December 09 to September 13	3.32	Demand is Stayed by order of Gujarat High Court.

8. The Company has not defaulted in repayment of loans or borrowings from financial institutions, banks and government. The Company has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or obtained any term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA 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 22, 2019

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Asian Star Company Limited of even date)

### Report on the Internal Financial Controls Over Financial Reporting 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 of ASIAN STAR COMPANY LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective 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 the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the 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 misstatement 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 a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide 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 the 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 unauthorised 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 of 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

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

**MAHENDRA DOSHI**  
PROPRIETOR  
MEMBERSHIP NO. 41316

Place : Mumbai  
Date : May 22, 2019

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2019**

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a Property, Plant & Equipment	1	21,779.11	22,894.44
b Intangible Assets	1	-	22.28
c Investment Property		4,993.10	4,993.10
d Financial Assets			
i) Non Current Investments	2	4,918.75	4,360.62
ii) Other Financial Assets	3	75.70	74.94
e Other Non-Current Assets	4	607.26	563.22
		<b>32,373.92</b>	<b>32,908.60</b>
<b>Current Assets</b>			
a Inventories	5	45,710.53	51,211.19
b Financial Assets			
i) Current Investments	6	2,603.82	2,471.50
ii) Trade Receivables	7	63,380.71	77,020.84
iii) Cash and Cash Equivalents	8	10,931.26	11,311.64
iv) Other Bank Balances	9	9,242.35	9,681.64
v) Loans & Advances	10	5,425.58	4,112.77
vi) Other Financial Assets	11	-	244.39
		<b>1,37,294.25</b>	<b>1,56,053.97</b>
<b>TOTAL</b>		<b>1,69,668.17</b>	<b>1,88,962.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a Equity Share Capital	12	1,600.68	1,600.68
b Other Equity	13	73,146.68	69,323.42
		<b>74,747.36</b>	<b>70,924.10</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
a Financial Liabilities			
Long-Term Borrowings	14	4,947.50	2,253.86
b Deferred Tax Liabilities (Net)	15	4,868.68	4,719.04
c Long-Term Provisions	16	648.95	570.04
d Non Current Tax Liabilities	17	218.31	151.17
e Other Non-Current Liabilities	18	561.08	780.66
		<b>11,244.52</b>	<b>8,474.77</b>
<b>Current Liabilities</b>			
a Financial Liabilities :			
i) Short-Term Borrowings	19	63,866.77	76,501.81
ii) Trade Payables	20	18,479.40	27,603.88
iii) Other Financial Liabilities	21	34.30	337.98
b Other Current Liabilities	22	1,295.82	5,120.03
		<b>83,676.29</b>	<b>1,09,563.70</b>
<b>TOTAL</b>		<b>1,69,668.17</b>	<b>1,88,962.57</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 53		

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 22, 2019

**SUJATA NADGOUDA**  
Company Secretary

Place : Mumbai  
Dated : May 22, 2019

For and on behalf of the Board

**DINESH T. SHAH**  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated : May 22, 2019

**VIPUL P. SHAH**  
CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated : May 22, 2019

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lacs)

PARTICULARS	NOTE	2018-2019	2017-2018
Revenue From Operations	23	2,45,019.33	2,80,894.18
Other Income	24	808.32	1,096.05
<b>Total Revenue</b>		<b>2,45,827.65</b>	<b>2,81,990.23</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	25	1,78,045.88	2,13,795.86
Purchases of Stock-In-Trade		17,502.13	19,200.83
Changes in Inventories of Work-In-Progress & Finished Goods	26	2,507.83	1,488.01
Employee Benefit Expense	27	5,958.44	6,679.35
Finance Costs	28	2,665.33	2,851.41
Depreciation and Amortization Expense		1,533.23	1,556.20
Other Expenses	29	31,131.82	30,049.01
<b>Total Expenses</b>		<b>2,39,344.66</b>	<b>2,75,620.67</b>
Profit Before Exceptional Items & Tax		6,482.99	6,369.56
Exceptional Items Income/(Loss)	30	(347.08)	(492.13)
<b>Profit Before Tax</b>		<b>6,135.91</b>	<b>5,877.43</b>
Tax expense			
Current Tax		1,929.63	2,084.57
Deferred Tax		149.64	(363.01)
<b>Profit After Tax</b>		<b>4,056.64</b>	<b>4,155.87</b>
Other Comprehensive Income		13.96	(24.30)
<b>Total Comprehensive Income</b>		<b>4,070.60</b>	<b>4,131.57</b>
Earnings Per Equity Share:			
Basic and Diluted (In Rs.)		25.34	25.96
Significant Accounting Policies			
Notes on Financial Statements	1 to 53		

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES  
Chartered Accountants  
FRNo: 105765W

MAHENDRA DOSHI  
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CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated: May 22, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	6,135.91	5,877.43
Adjustment for		
Depreciation	1,533.23	1,556.21
Finance Costs	2,665.33	2,851.41
Unrealised Foreign Exchange (Gain) / Loss	(818.73)	71.02
Dividend Received	(268.45)	(264.43)
(Profit)/Loss on Sale of Fixed Assets	347.08	492.13
(Profit)/Loss on Sale of Investment	(1.42)	(56.29)
Diminution in value of Investment written off / (written back)	(271.72)	(124.96)
<b>Operating Profit Before Working Capital Changes</b>	<b>9,321.23</b>	<b>10,402.52</b>
Adjustment for		
Receivables	12,951.13	(10,926.80)
Inventories	5,500.65	7,568.86
Loans & Advances	(1,113.22)	1,452.67
Current and Non Current Liabilities	(12,910.90)	4,715.50
<b>Cash generated from / (used in) Operations</b>	<b>13,748.89</b>	<b>13,212.75</b>
Taxation	(1,862.49)	(1,827.35)
Cash flow before Extraordinary items	11,886.40	11,385.40
<b>Net Cash from / (used in) Operating Activities</b>	<b>11,886.40</b>	<b>11,385.40</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(901.01)	(523.26)
Sale of Fixed Assets	158.31	485.86
Purchase / Increase of Investments	(1,207.44)	(3,873.05)
Dividend Received	268.45	264.43
Sale / Decrease of Investments	790.11	992.09
<b>Net Cash from / (used in) Investing Activities</b>	<b>(891.58)</b>	<b>(2,653.93)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings	2,693.64	(246.14)
Short Term Borrowings	(11,602.70)	(2,576.98)
Finance Costs	(2,665.33)	(2,851.41)
Dividend Paid	(240.10)	(240.10)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(11,814.49)</b>	<b>(5,914.63)</b>
<b>Net increase / (decrease) in Cash &amp; Cash Equivalents</b>	<b>(819.67)</b>	<b>2,816.84</b>
<b>Cash &amp; Cash Equivalents as at 1st April (Opening)-*</b>	<b>20,993.28</b>	<b>18,176.44</b>
<b>Cash &amp; Cash Equivalents as at 31st March (Closing)-*</b>	<b>20,173.61</b>	<b>20,993.28</b>

\* includes fixed deposits of Rs. 15,546.33 lacs (FY 17-18 Rs. 15,215.61 lacs) pledged as collateral securities with banks for facilities obtained. Includes fixed deposits of Rs. 9,242.35 lacs (FY 17-18 Rs. 9,681.64 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 22, 2019

SUJATA NADGOUDA  
Company Secretary

Place : Mumbai  
Dated : May 22, 2019

For and on behalf of the Board

DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated : May 22, 2019

VIPUL P. SHAH  
CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated : May 22, 2019

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

**A. Equity Share Capital**

(Rs. in Lacs)

Particulars	Balance at the beginning of the period April 1, 2017	Changes in Equity share capital during the year 2017-18	Balance at the end of the reporting period March 31, 2018	Changes in Equity share capital during the year 2018-19	Balance at the end of the reporting period March 31, 2019
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	
<b>AS ON MARCH 31, 2018</b>						
Balance at the beginning of the reporting period i.e. April 1, 2017	298.16	1,986.44	16,363.68	47,169.77	(377.55)	65,440.50
Total Income for the year	-	-	-	4,155.87	(24.30)	4,131.57
Dividend	-	-	-	(240.10)	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-
Provision for tax of Ealier 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	50,876.99	(401.85)	69,323.42
<b>AS ON MARCH 31, 2019</b>						
Balance at the beginning of the reporting period i.e. April 1, 2018	298.16	1,986.44	16,563.68	50,876.99	(401.85)	69,323.42
Total Income for the year	-	-	-	4,056.64	13.96	4,070.60
Dividend	-	-	-	(240.10)	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-
Provision for tax of Ealier Years written off	-	-	-	(7.24)	-	(7.24)
Balance at the end of the reporting period i.e. March 31, 2019	298.16	1,986.44	16,763.68	54,486.29	(387.89)	73,146.68

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 22, 2019

**For and on behalf of the Board**

**SUJATA NADGOUDA**  
Company Secretary

Place : Mumbai  
Dated : May 22, 2019

**DINESH T. SHAH**  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated : May 22, 2019

**VIPUL P. SHAH**  
CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated : May 22, 2019

**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.

**e. Inventory Valuation**

Valuation of Inventory of Cut & Polished diamonds is a technical subject requires technical skill, knowledge and judgment. Its valuation is derived based on assessment by the Management and valuation carried out by the Government approved valuer based on physical verification of goods.

**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**

Cash and cash equivalents for the purpose of the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**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, mutual funds & bonds 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 and financial institutions. These contracts are generally entered against the underlying assets such as receivables, payables and inventory and orders received/issued from/to customers/suppliers. 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 31, 2019

### 1. PROPERTY, PLANT & EQUIPMENT

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As At April 1, 2018	Additions	Deductions	As At March 31, 2019	As At April 1, 2018	For The Year	Deductions	As At March 31, 2019	As At March 31, 2018
<b>Tangible Assets</b>									
Land	6,076.34	-	-	6,076.34	16.02	-	-	16.02	6,060.32
Office Premises	1,281.32	197.61	-	1,478.93	122.79	41.11	-	163.90	1,315.03
Factory Premises	6,177.12	-	-	6,177.12	704.24	140.64	-	844.88	5,332.24
Plant & Machinery	15,309.22	436.35	791.98	14,953.59	6,610.32	917.42	296.52	7,231.22	7,722.37
Vehicles	904.93	116.01	42.53	978.41	476.91	100.93	39.06	538.78	439.63
Furniture & Fixtures	1,147.39	35.32	-	1,182.71	847.52	78.67	-	926.19	256.52
Office Equipments	2,027.82	69.50	6.62	2,090.70	1,344.70	146.97	1.58	1,490.09	600.61
Computer	779.09	46.23	1.99	823.33	686.29	85.21	0.56	770.94	52.39
	33,703.23	901.02	843.12	33,761.13	10,808.79	1,510.95	337.72	11,982.02	21,779.11
<b>Intangible Assets</b>									
Goodwill	20.81	-	20.81	-	-	20.81	20.81	-	20.81
Computer Software	18.13	-	-	18.13	16.66	1.47	-	18.13	-
	38.94	-	20.81	18.13	16.66	22.28	20.81	18.13	22.28
<b>CURRENT YEAR</b>	<b>33,742.17</b>	<b>901.02</b>	<b>863.93</b>	<b>33,779.26</b>	<b>10,825.45</b>	<b>1,533.23</b>	<b>358.53</b>	<b>12,000.15</b>	<b>21,779.11</b>
<b>PREVIOUS YEAR</b>	<b>34,703.90</b>	<b>523.26</b>	<b>1,484.99</b>	<b>33,742.17</b>	<b>9,797.04</b>	<b>1,556.20</b>	<b>527.79</b>	<b>10,825.45</b>	<b>22,916.72</b>

### 2. NON CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Unquoted, Equity Instruments		
<b>a) In Wholly Owned Subsidiary Companies at cost (all fully paid)</b>		
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 Trading ( Hongkong) Ltd 10,000 (10,000) Shares of HK\$ 100 each	103.58	103.58
<b>b) In Other Companies at Fair Market value (all fully paid)</b>		
Indian Commodity Exchange Ltd. 1,67,50,000 (1,67,50,000) Shares of Rs. 5 each	2,010.00	1,675.00
Utkarsh Coreinvest Ltd. 90,000 (90,000) Shares of Rs. 10 each	117.00	117.00
<b>Other Investments</b>		
Ratnanjali Infra LLP (Partnership Firm)	2,447.19	2,224.06
<b>Total</b>	<b>4,918.75</b>	<b>4,360.62</b>

### 3. OTHER FINANCIAL ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Deposits With Others	37.19	36.82
Security Deposits	38.51	38.12
<b>Total</b>	<b>75.70</b>	<b>74.94</b>

4. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Capital Advances	375.91	364.91
Security Deposit	231.10	198.00
Preliminary Expenditure (to the extent not written off)	0.25	0.31
<b>Total</b>	<b>607.26</b>	<b>563.22</b>

5. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Raw Materials	11,928.31	14,925.47
Work In Progress	6,410.96	4,737.29
Finished Goods	27,319.00	31,500.50
Consumables	52.26	47.93
(Inventories are valued as per point no. 3(n) to significant accounting policies)		
<b>Total</b>	<b>45,710.53</b>	<b>51,211.19</b>

6. CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019		AS AT MARCH 31, 2018	
Investments carried at Fair Value through profit & loss (FVTPL)				
<b>Investments in Bond</b>				
Sovereign Gold Bond Scheme 800 (800) Units	23.31		23.31	
<b>A</b>		<b>23.31</b>		<b>23.31</b>
<b>Quoted, fully paid up</b>				
Classic Diamonds (India) Ltd. Nil (716) Shares of Rs. 2 each	-		0.01	
Shrenuj & Co Ltd. Nil (2,000) Shares of Rs. 2 each	-		0.02	
Windsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.01		0.01	
Titan Company Limited 24,385 (Nil) Shares of Re.1 each	277.38		-	
Reliance Communications Ltd 100,000 (Nil) Shares of Rs.5 each	4.14		-	
Aarti Industries Ltd 9,831 (11,365) Shares of Rs. 5 each	154.65		130.04	
Aegis Logistics Ltd 49,570 (57,895) Shares of Re.1 each	100.61		149.88	
APL Apollo Tubes Ltd 4,440 (5,220) Shares of Rs. 10 each	63.92		104.12	
Asian Oilfield Serv Ltd Nil (18,815) Shares of Rs. 10 each	-		35.18	
Astec Lifescience Ltd Nil (12,235) Shares of Rs. 10 each	-		71.17	

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Dalmia Bharat Ltd Nil (2,630) Shares of Rs. 2 each	-	75.88
Exide Industries Ltd 26,435 (31,100) Shares of Re. 1 each	57.80	69.03
HDFC Bank Ltd 8077 (9,324) Shares of Rs. 2 each	187.10	176.36
Indian Energy Exch Ltd 31,630 (3,721) Shares of Re. 1 each	52.00	58.66
La Opala RG Ltd 22,780 (Nil) Shares of Rs. 2 each	49.28	-
J.K.Tyre & Industries Nil (40,000) Shares of Rs. 2 each	-	64.67
KEI Industries Ltd 15,775 (18,550) Shares of Rs. 2 each	67.14	71.38
Maruti Suzuki Ltd 1,658 (1,936) Shares of Rs. 5 each	110.62	170.84
Navin Fluorine Intl Ltd 12,000 (12,000) Shares of Rs. 2 each	72.54	92.51
Odisha Cement Ltd 5,412 (Nil) Shares of Rs. 2 each	53.57	-
Quess Corp Ltd 6,315 (709) Shares of Rs. 10 each	47.53	7.29
Radio City Ltd Nil (15,704) Shares of Rs. 2 each	-	62.37
Shilpa Medicate Ltd 11,088 (13,044) Shares of Re. 1 each	37.72	60.65
Voltas Ltd 8,014 (9,080) Shares of Re. 1 each	50.52	56.35
Axis Bank Ltd 6,200 (Nil) Shares of Rs. 2 each	48.12	-
Bajaj Auto Ltd 1,600 (Nil) Shares of Rs. 10 each	46.64	-
Bajaj Finance Ltd 2,301 (569) Shares of Rs. 2 each	69.60	10.03
Bandhan Bank 5,200 (Nil) Shares of Rs. 10 each	27.30	-
Ashok Leyland Ltd Nil (40,000) Shares of Rs. 1 each	-	58.16
BASF India Ltd Nil (3,000) Shares of Rs. 10 each	-	62.33
Escorts Ltd Nil (3,950) Shares of Rs. 10 each	-	32.72
INFO Edge (India) Ltd 4,000 (4,000) Shares of Rs. 10 each	73.71	47.55
Infosys Ltd 6,000 (Nil) Shares of Rs. 5 each	44.54	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019		AS AT MARCH 31,2018	
L & T Finance Holdings Ltd Nil (30,000) Shares of Rs. 10 each	-		47.15	
Piramal Enterprises Ltd Nil (2,609) Shares of Rs. 2 each	-		63.68	
Tata Elexi Ltd 4,572 (4,450) Shares of Rs. 10 each	44.04		43.83	
Ujjivan Fin Serv Ltd Nil (15,000) Shares of Rs. 10 each	-		51.84	
United Spirits Ltd 10,000 (2,000) Shares of Rs. 2 each	55.30		62.52	
Varun Beverages Ltd 9,751 (9,000) Shares of Rs. 10 each	84.36		55.57	
Asian Paints Ltd Nil (299) Shares of Re. 1 each	-		3.35	
Bajaj Finserv Ltd 126 (172) Shares of Rs. 5 each	8.86		8.95	
Berger Paints India Ltd 2,038 (Nil) Shares of Re. 1 each	6.60		-	
Britania Industries Ltd 194 (83) Shares of Re. 1 each	5.98		4.13	
Dabur India Ltd 894 (Nil) Shares of Re. 1 each	3.66		-	
Eicher Motors Ltd 29 (12) Shares of Rs. 10 each	5.96		3.40	
Gruh Finance Ltd 1,434 (779) Shares of Rs. 2 each	3.96		4.50	
HDFC Life Ins Co Ltd 718 (365) Shares of Rs. 10 each	2.72		1.66	
Hind Petro Corp Ltd Nil (2,055) Shares of Rs. 10 each	-		7.07	
Indusind Bank 257 (257) Shares of Rs. 10 each	4.58		4.61	
Kaveri Seed Co Ltd 483 (531) Shares of Rs. 2 each	2.22		2.56	
Motherson Sumi Ltd Nil (2,641) Shares of Rs. 1 each	-		8.23	
MRF Ltd Nil (6) Shares of Re. 1 each	-		4.34	
NBCC India Ltd Nil (1,480) Shares of Rs. 1 each	-		2.82	
P I Industries Ltd Nil (414) Shares of Rs. 1 each	-		3.68	
Page Industries 28 (Nil) Shares of Rs. 10 each	6.97		-	
Petronet LNG Ltd 1,417 (1,186) Shares of Rs. 10 each	3.55		2.74	

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019		AS AT MARCH 31,2018	
Reliance Industries Ltd 298 (Nil) Shares of Rs. 10 each	4.06		-	
Ramco Cements Ltd Nil (355) Shares of Rs. 1 each	-		2.60	
Supreme Industries Ltd 332 (317) Shares of Rs. 2 each	3.70		3.77	
Astral Poly Technik Ltd 219 (Nil) Shares of Re. 1 each	2.54		-	
AIA Engineering Ltd 140 (92) Shares of Rs. 2 each	2.51		1.31	
Balkrishna Industries Ltd 274 (396) Shares of Rs. 2 each	2.73		4.25	
Cholamandalam Inv & Fin Co Ltd 202 (Nil) Shares of Rs. 10 each	2.92		-	
Greenlam Industries Ltd 265 (314) Shares of Rs. 5 each	2.51		3.59	
Gujarat Gas Ltd Nil (524) Shares of Rs. 2 each	-		4.35	
Havells India Ltd 173 (713) Shares of Re. 1 each	1.33		3.48	
JK Paper Ltd Nil (1,910) Shares of Rs. 2 each	-		2.58	
Kajaria Ceramics Ltd 1,110 (3,012) Shares of Re. 1 each	6.55		3.90	
MAS Fin Serv Ltd 450 (589) Shares of Rs. 10 each	2.55		3.50	
Minda Industries Ltd Nil (372) Shares of Rs. 2 each	-		4.00	
Nestle India Ltd 14 (Nil) Shares of Rs. 10 each	1.54		-	
Nilkamal Ltd Nil (189) Shares of Rs. 10 each	-		2.88	
PI Ind Ltd 272 (Nil) Shares of Rs. 10 each	2.81		-	
Pidilite Ind Ltd 257 (Nil) Shares of Re. 1 each	3.19		-	
PNB Housing Fin Ltd 251 (Nil) Shares of Rs. 10 each	2.17		-	
Relaxo Footware Ltd 334 (682) Shares of Rs. 1 each	2.59		4.44	
Siyaram Silk Mills Ltd 543 (493) Shares of Rs. 2 each	2.42		3.00	
Solar Industries Ltd 228 (Nil) Shares of Rs. 2 each	2.45		-	
Tasty Bite Eatables Ltd 16 (9) Shares of Rs. 10 each	1.34		0.67	

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Sundaram Finance Ltd Nil (206) Shares of Rs. 10 each	-	3.45
Sundaram Finance Holdings Ltd Nil (206) Shares of Rs. 5 each	-	0.64
Symphony Ltd Nil (113) Shares of Rs. 2 each	-	2.02
Timken India Ltd Nil (502) Shares of Rs. 10 each	-	3.52
Vardhaman Textiles Ltd Nil (322) Shares of Rs. 10 each	-	3.93
Alkem Lab Ltd 201 (201) Shares of Rs. 2 each	3.52	4.00
Au Small Fin Bank 835 (946) Shares of Rs. 10 each	4.97	5.85
Bayer Cropscience Ltd 36 (36) Shares of Rs. 10 each	1.59	1.52
Birla Corporation Ltd 832 (832) Shares of Rs. 10 each	4.36	5.95
Blue Star Ltd 513 (513) Shares of Rs. 2 each	3.48	3.88
Canfin Homes Ltd 1,007 (1,007) Shares of Rs. 2 each	3.51	4.83
Development Credit Bank Ltd 4502 (4,655) Shares of Rs. 10 each	9.22	7.52
Dhanuka Agritech Ltd 334 (334) Shares of Rs. 2 each	1.30	1.84
Dishman Carbogen Amcis Ltd 1,266 (1,053) Shares of Rs. 2 each	2.64	3.37
Dr Lal Path Ltd 318 (318) Shares of Rs. 10 each	3.32	2.79
Gabriel India Ltd 2,707 (2,707) Shares of Rs. 1 each	3.91	3.71
Glaxo Smithkline Consumer Healthcare Ltd 16 (12) Shares of Rs. 10 each	1.16	0.73
IIFL Holdings Ltd 352 (352) Shares of Rs. 2 each	1.51	2.51
ITD Cement India Ltd 1,695 (1,695) Shares of Re. 1 each	2.23	2.67
Laxmi Vilas Bank Ltd 3,012 (3,012) Shares of Rs. 10 each	2.14	2.97
Mahanagar Gas Ltd 445 (461) Shares of Rs. 10 each	4.69	4.42
Suprajit Engg Ltd 640 (640) Shares of Re. 1 each	1.57	1.78
TTK Prestige Ltd 67 (67) Shares of Rs. 10 each	5.85	4.14

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
V-Mart Retail Ltd 36 (Nil) Shares of Rs. 10 each	0.97	-
VIP Industries Ltd 237 (Nil) Shares of Rs. 2 each	1.15	-
<b>B</b>	<b>2,048.20</b>	<b>2,180.20</b>
<b>Investments in Mutual Fund</b>		
Reliance Liquid Fund -Div Reinvestment 23,653 (107) Units	237.15	1.07
Reliance Liquid Fund Direct-Growth 904 (903) Units	41.23	23.63
HDFC Small Cap Fund Direct Growth Plan 1,55,122 (1,55,122) Units	74.10	72.32
Kotak Select Focus Fund Direct Plan Growth 2,15,853 (2,15,853) Units	81.42	72.26
Motilal Oswal Most Focused Multicap35 Fund 3,61,232 (3,61,232) Units	98.41	98.71
<b>C</b>	<b>532.31</b>	<b>267.99</b>
<b>Total A+B+C</b>	<b>2,603.82</b>	<b>2,471.50</b>

## 7. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>Unsecured</b>		
<b>Over six months from due date</b>		
Considered Good	1,448.42	802.80
Considered Doubtful	0.41	58.12
	1,448.83	860.92
Less: Provision for doubtful debts	0.41	58.12
	1,448.42	802.80
<b>Others</b>		
Considered Good	61,932.29	76,218.04
<b>Total</b>	<b>63,380.71</b>	<b>77,020.84</b>

## 8. CASH AND CASH EQUIVALENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Balances with Banks	3,790.91	4,314.62
Fixed Deposits with Banks	7,116.00	6,977.76
Cash on hand	24.35	19.26
<b>Total</b>	<b>10,931.26</b>	<b>11,311.64</b>

- Balance with banks include unclaimed Dividend of Rs.0.21 Lacs ( For F.Y. 2017-18 it was Rs.0.32 Lacs), & unclaimed fractional entitlement Rs.0.17 Lacs (For F.Y.2017-18 it was Rs.0.17 Lacs).

## 9. OTHER BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Fixed Deposits with Banks	9,242.35	9,681.64
<b>Total</b>	<b>9,242.35</b>	<b>9,681.64</b>

- Fixed Deposits with banks include deposits of Rs.976.75 lacs (For FY 2017-18 it was Rs.1,131.05 lacs) with maturity of more than 12 months.  
- Fixed Deposits with banks includes deposits of Rs.15,546.33 lacs (For F.Y. 2017-2018 it was Rs.15,215.61 lacs) pledged as collateral securities with the bank as security for facilities obtained.  
- Fixed Deposits with banks includes deposits of Rs.812.02 lacs (For F.Y. 2017-2018 it was Rs.748.79 lacs) kept as margin money against bank guarantees.

## 10. LOANS AND ADVANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Loans & Advances Others *		
Unsecured, considered good	5,425.58	4,112.77
<b>Total</b>	<b>5,425.58</b>	<b>4,112.77</b>

\* 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 31,2019	AS AT MARCH 31,2018
Derivatives - Foreign Exchange Contracts	-	244.39
<b>Total</b>	<b>-</b>	<b>244.39</b>

## 12. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>Authorised</b>		
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
	<b>6,500.00</b>	<b>6,500.00</b>
<b>Issued, Subscribed and Paid-up</b>		
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each	1,600.68	1,600.68
<b>Total</b>	<b>1,600.68</b>	<b>1,600.68</b>

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

PARTICULARS	AS AT MARCH 31,2019		AS AT MARCH 31,2018	
	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
<b>Total</b>	<b>1,19,50,000</b>	<b>74.66</b>	<b>1,19,50,000</b>	<b>74.66</b>

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

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Equity shares at the beginning of the year	1,60,06,800	1,60,06,800
Equity shares at the beginning of the year	1,60,06,800	1,60,06,800

### 13. OTHER EQUITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019		AS AT MARCH 31,2018	
<b>Capital Reserves</b>				
As per Last Balance Sheet		298.16		298.16
<b>Capital Redemption Reserve</b>				
As per Last Balance Sheet		1,986.44		1,986.44
<b>General Reserves</b>				
As per Last Balance Sheet	16,563.68		16,363.68	
Add : Transfer from Surplus Account	200.00		200.00	
		16,763.68		16,563.68
<b>Other Comprehensive Income</b>		(387.89)		(401.85)
<b>Surplus Account</b>				
As per last Balance Sheet	50,876.99		47,169.77	
Add: Profit for the Year	4,056.64		4,155.87	
	54,933.63		51,325.64	
<b>Less: Appropriations</b>				
Transferred to General Reserve	200.00		200.00	
Dividend on Equity Shares (Dividend per Share Rs.1.50/-) (Previous Year Dividend per Share Rs.1.50/-)	240.10		240.10	
Provision for Tax of Earlier Years written off	7.24		8.55	
	447.34		448.65	
		54,486.29		50,876.99
<b>Total</b>		<b>73,146.68</b>		<b>69,323.42</b>

### 14. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>Unsecured Loans</b>		
Loan from Related Party- Directors	4,947.50	2,253.86
<b>Total</b>	<b>4,947.50</b>	<b>2,253.86</b>

### 15. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>Deferred Tax Liability on account of :</b>		
(i) Property, Plant & Equipment	5,035.42	4,879.43
(ii) Others	45.60	13.95
<b>A</b>	<b>5,081.02</b>	<b>4,893.38</b>
<b>Deferred Tax Asset on account of :</b>		
(i) Provision for Doubtful Debts	20.11	20.11
(ii) Gratuity Liability	192.23	154.23
<b>B</b>	<b>212.34</b>	<b>174.34</b>
<b>Deferred Tax Liability (Net) A-B</b>	<b>4,868.68</b>	<b>4,719.04</b>

### 16. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	648.95	570.04
<b>Total</b>	<b>648.95</b>	<b>570.04</b>

### 17. NON CURRENT TAX LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>Taxation</b>		
Taxation	218.31	151.17
<b>Total</b>	<b>218.31</b>	<b>151.17</b>

### 18. OTHER NON-CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>Deferred Income (Liability)</b>		
Deferred Income (Liability)	561.08	780.66
<b>Total</b>	<b>561.08</b>	<b>780.66</b>

### 19. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>Secured Loans</b>		
Working Capital Loan from Banks	54,999.34	69,996.01
<b>Secured by</b>		
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		
<b>Unsecured Loans</b>		
Loan from Related Party- Directors	8,867.43	6,505.80
<b>Total</b>	<b>63,866.77</b>	<b>76,501.81</b>



## 20. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>Creditors for Goods</b>		
Total outstanding dues of micro enterprises and small enterprises	66.94	6.48
Others	15,712.40	25,659.88
<b>A</b>	<b>15,779.34</b>	<b>25,666.36</b>
<b>Creditors for Processing</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	2,700.06	1,937.52
<b>B</b>	<b>2,700.06</b>	<b>1,937.52</b>
<b>Total A+B</b>	<b>18,479.40</b>	<b>27,603.88</b>

## 21. OTHER FINANCIAL LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Derivatives - Foreign Exchange Contracts	34.30	337.98
<b>Total</b>	<b>34.30</b>	<b>337.98</b>

## 22. OTHER CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Unclaimed Dividend	0.21	0.24
Other Payables*	1,295.61	5,119.79
<b>Total</b>	<b>1,295.82</b>	<b>5,120.03</b>

\* Includes statutory dues and payable for expenses /services.

## 23. REVENUE FROM OPERATIONS

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Sale of Products	2,44,345.22	2,80,325.53
Sale of Services	674.11	568.65
<b>Total</b>	<b>2,45,019.33</b>	<b>2,80,894.18</b>

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	2018-2019	2017-2018
Diamonds	1,85,022.26	2,24,795.29
Jewellery	58,720.38	54,890.02
Power- Windmill	602.58	640.22
<b>Total</b>	<b>2,44,345.22</b>	<b>2,80,325.53</b>

## 24. OTHER INCOME

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Dividend Income	268.46	264.44
Miscellaneous Receipts	1.88	4.91
Fair Value Gain / (loss) on Investments	271.72	124.96
Insurance Claim -Diamonds	48.78	-
Other Interest Income	50.66	7.86
Service Tax Refund	9.96	34.78
Duty Benefit on import of machinery	45.16	41.39
Net gain/(loss) on sale of Investments	(2.51)	56.82
Share of profit /(loss) from Partnership firm	3.93	0.53
Net Gain/(loss) on foreign currency transactions and translation	(31.49)	424.07
Financial Guarantee Commission	141.77	137.35
<b>Total</b>	<b>808.32</b>	<b>1,096.05</b>

## 25. COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Stock at the Commencement	14,925.47	21,031.47
Purchases during the year	1,75,048.72	2,07,689.86
	1,89,974.19	2,28,721.33
Less : Stock at the Close	11,928.31	14,925.47
<b>Total</b>	<b>1,78,045.88</b>	<b>2,13,795.86</b>

### 25.1 COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Rough Diamonds	1,47,865.55	1,89,103.38
Others	30,180.33	24,692.49
<b>Total</b>	<b>1,78,045.88</b>	<b>2,13,795.87</b>

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

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
<b>Variation in Stock of Work In Progress</b>		
Stock at the Commencement	4,737.29	5,041.46
Less: Stock at the Close	6,410.96	4,737.29
<b>A</b>	<b>(1,673.67)</b>	<b>304.17</b>
<b>Variation in Stock of Finished Goods</b>		
Stock at the Commencement	31,500.50	32,684.34
Less: Stock at the Close	27,319.00	31,500.50
<b>B</b>	<b>4,181.50</b>	<b>1,183.84</b>
<b>Total A+B</b>	<b>2,507.83</b>	<b>1,488.01</b>

27. EMPLOYEE BENEFIT EXPENSE

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Salary & Bonus	3,488.54	4,053.02
Director's Remuneration	600.00	600.00
Wages	1,239.82	1,237.54
Gratuity	130.16	203.63
Ex Gratia & Leave Encashment	183.98	205.89
Labour Welfare Fund Expenses	0.59	0.81
Contribution to Provident Fund	224.60	253.75
Group Health Insurance Premium	3.46	28.56
Contribution to E.S.I.C.	50.24	60.83
Staff Welfare Expenses	37.05	35.32
<b>Total</b>	<b>5,958.44</b>	<b>6,679.35</b>

28. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Interest Expense	2,376.06	2,448.21
Other borrowing costs	286.42	403.11
Other Interest	2.85	0.09
<b>Total</b>	<b>2,665.33</b>	<b>2,851.41</b>

29. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
<b>Manufacturing Expenses</b>		
Processing Expenses	25,450.08	23,498.95
Electricity, Power & Fuel	430.29	464.49
Promotion Fund Expenses on Import	15.82	19.20
Consumables	411.94	326.60
Factory Expenses	106.43	141.43
	26,414.56	24,450.67
<b>Administrative / Selling &amp; Distribution Expenses</b>		
Bank Commission & Charges	278.88	261.10
Electrical Charges	52.58	82.68
Telephone, Internet and Fax Charges	70.37	108.11
Local Travelling and Conveyance	74.48	81.79
Legal & Professional fees	202.68	388.02
Audit Fees	9.00	9.00
Printing & Stationery	58.08	59.86
Repairs & Maintenance (Other)	132.83	275.76
Repairs & Maintenance (Building)	36.50	61.08
Repairs & Maintenance (Plant & Machinery)	80.75	107.57
Repairs & Maintenance (Windmill)	261.22	194.57
Postage and Courier	79.83	82.71
Rates & Taxes	0.95	29.89
Motor Car Expenses	76.15	70.35
Provision for Doubtful Debts	(58.12)	58.12
Bad Debts (net of Recovery)	65.76	355.24
Insurance Premium	113.09	159.45
Rent & Compensation	125.71	209.47
Donation	37.23	19.97
CSR Expenditure	96.65	60.19
Office Canteen Expenses	79.26	84.01
Office Expenses	22.18	20.18
Director's Sitting Fees	1.03	1.21
Sundry Expenses	124.92	64.22
Security Charges	79.68	80.80
Registration & Filing Charges	2.53	1.33
Membership and Subscription	28.03	23.34
Advertisement	18.75	46.60
Sales Expenses	81.16	301.57
Foreign Travelling	258.39	267.26
Commission on Sales	415.23	389.01
Re-Assortment Charges	25.89	23.73
Freight & Clearing Charges	223.85	231.06
Agency Charges	24.03	30.74
E.C.G.C. Premium	175.97	167.62
Diamond Grading Charges	1,099.53	1,130.01
Preliminary Expenses Written off	0.06	0.08
Packing Expenses	62.15	60.64
	4,717.26	5,598.34
<b>Total</b>	<b>31,131.82</b>	<b>30,049.01</b>

### 30. EXCEPTIONAL ITEMS

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Net gain/(loss) on sale of Fixed Assets	(347.08)	(492.13)
<b>Total</b>	<b>(347.08)</b>	<b>(492.13)</b>

### 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	224.60
Employers Contribution to Employees State Insurance Scheme	50.24
Employers Contribution to Labour Welfare Fund	0.59

#### b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2019 and recognized in the financial statement in respect of Employee Benefits Scheme:

(Rs. in Lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
<b>I) Assumptions</b>	<b>(%)</b>
a) Expected Return on Plan Assets	7.79 %
b) Rate of Discounting	7.79 %
c) Rate of Salary Increase	5.00 %
d) Rate of Employee Turnover	2.00 %
<b>II) Change in Present value of Projected Benefit Obligation</b>	
a) Present value of benefit obligation at beginning of the year	1,096.06
b) Current Service Cost	85.64
c) Interest Cost	86.04
d) Benefit Paid from the fund	(90.60)
e) Actuarial (gain)/loss on obligation	(17.16)
f) Present value of obligation as at end of the year	1,159.98
<b>III) Change in fair value of Plan Assets</b>	
a) Fair value of the Plan Assets at the beginning of the year	528.95
b) Interest Income	41.52
c) Contributions by the Employer	29.77
d) Benefit Paid from the fund	(86.02)
e) Return on Plan Assets, Excluding Interest Income	(3.19)
f) Fair value of Plan Assets at the end of the year	511.03
<b>IV) Amount Recognized in the Balance Sheet</b>	
a) Present value of benefit obligation at the end of the year	1,159.98
b) Fair Value of Plan Assets at the end of the year	511.03
c) Funded Status (Surplus/ (Deficit))	(648.95)
d) Net (Liability)/Asset Recognized in the Balance Sheet	(648.95)
<b>V) Expenses Recognized in the Statement of Profit &amp; Loss</b>	
a) Net Interest Cost	44.52
b) Current Service Cost	85.64
c) Expenses recognized in Profit & Loss Statement	130.16

(Rs. in Lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
<b>VI) Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>	
a) Actuarial (Gains)/Losses on Obligation for the Period	(17.52)
b) Return on Plan Assets, excluding Interest Income	3.19
c) Net (Income)/Expense for the Period Recognized in OCI	(13.96)
<b>VII) Sensivity Analysis</b>	
Projected Benefit Obligation on Current Assumptions	1,159.98
Delta effect of +1% change in rate of Discounting	(101.03)
Delta effect of -1% change in rate of Discounting	117.58
Delta effect of +1% change in rate of Salary Increase	98.40
Delta effect of -1% change in rate of Salary Increase	(87.48)
Delta effect of +1% change in rate of Employee Turnover	33.71
Delta effect of -1% change in rate of Employee Turnover	(37.71)

### 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. 290.93 lacs including Rs. 50.83 lacs dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on March 31, 2019. 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	2018-2019	2017-2018
Current tax	1,929.63	2,084.57
Deferred tax	149.64	(363.01)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>2,079.27</b>	<b>1,721.56</b>

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

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Profit before tax	6,482.99	6,369.57
Applicable tax rate	34.940%	34.608%
<b>Computed Tax Expense</b>	<b>2,265.16</b>	<b>2,204.38</b>
<b>Tax effect of:</b>		
Exempted income	(130.78)	(159.42)
Expenses disallowed	612.93	649.34
Additional allowances	(578.10)	(534.43)
Differential tax rate on income of SEZ unit	(276.79)	(126.10)
Others	37.21	50.80
<b>Current Tax Provision (A)</b>	<b>1,929.63</b>	<b>2,084.57</b>
Incremental/(Decremental) Deferred tax Liability on account of Tangible Assets	157.85	(352.11)
Incremental/(Decremental) Deferred tax Liability on account of other items	(8.21)	(10.91)
<b>Deferred Tax Provision (B)</b>	<b>149.64</b>	<b>(363.01)</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>2,079.27</b>	<b>1,721.56</b>
<b>Effective Tax Rate</b>	<b>32.07%</b>	<b>27.03%</b>

34. RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH, 2019:

(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 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	
Himanshu A. Shah	
Sujata V. 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	2018-2019		2017-18	
		Volume	Amount Outstanding as on 31.03.2019	Volume	Amount Outstanding as on 31.03.2018
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	13,323.34	3,761.22	151,68.44	4,399.88
	Jewel Art (Unit-II)	611.71	2,46.49	104.49	-
	Gemasia B.V.B.A.	4,325.26	2,118.70	4,421.81	2,574.25
Sale of Rough Diamonds	A. M. Exports	79.76	-	-	-
	Gemasia B.V.B.A.	299.91	-	193.33	-
Purchase of Rough Diamonds	Asian Star DMCC	15,781.06	1,457.59	6,433.94	5,861.75
	Gemasia B.V.B.A.	1,726.86	55.96	1,045.34	-
Purchase of Polished Diamonds	A. M. Exports	3,153.12	222.53	3,858.20	841.92
Dividend Received	Asian Star DMCC	248.26	-	248.02	-
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	-	178.75	-	178.75
	Asian Star Trading (Hong Kong) Ltd.	-	103.58	-	103.58
	Asian Star DMCC	-	62.23	-	62.23
Corporate Guarantee given	Asian Star Trading (Hong Kong) Ltd.	-	16,601.11	2,629.88	15,597.60
	Asian Star DMCC	(7,028.35)	6,917.13	6,514.14	12,998.00
Corporate Guarantee Commission Received	Asian Star Trading (Hong Kong) Ltd.	82.51	-	75.03	-
	Asian Star DMCC	59.26	-	62.32	-
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	-	-	47.50	-
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	3,362.00	6,328.00	1,100.00	2,856.00
	Arvind T. Shah	574.37	737.17	(70.00)	162.80
	Dharmesh D. Shah	(20.70)	922.30	(135.00)	943.00
	Vipul P. Shah	347.07	5,106.57	1,676.00	4,647.00
	Priyanshu A. Shah	323.89	720.89	(27.00)	397.00
Interest Paid on Director's Loan	Dinesh T. Shah	110.00	-	-	-
	Vipul P. Shah	112.50	-	-	-
Contract for Processing of Diamonds	Shah Manufacturers	16,721.19	837.79	9,426.29	1,198.03
Sale of Jewellery / Sale of Services	Rahil V Shah	8.58	-	0.77	0.77
	Sujata V Shah	7.36	-	0.94	-
	Himanshu A. Shah	69.21	-	-	-
	Asian Star Co. Ltd. - (U.S.A.)	18.32	2.67	-	-
Purchase of Gold and Silver	Asian Star Co. Ltd. - (U.S.A.)	11.83	-	-	-
Sale of Machinery	Shah Manufacturers	-	-	270.01	-
	Jewel Art	3.40	-	274.42	-
Purchase of Assets	Jewel Art	-	-	291.84	291.84
	A'Star Exports	-	-	9.01	-

Note: 1. Sale includes GST.

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.

The Company has invested in Joint venture, Ratnanjali Infra 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.

(Rs. in Lacs)

PARTICULARS	AMOUNT
Investments as on 01-04-2018	2,224.06
Addition during the year	219.20
Share of Profit / (loss) ( to the extent of Company's share in the joint venture)	3.93
<b>Balance as on 31-03-2019</b>	<b>2,447.19</b>

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. 125.23 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	96.65	-	96.65

37. a) The Company has given guarantee of Rs. 235.18 crores (For F.Y. 2017-18 it was Rs. 260.18 crores) to Banks for facilities availed by its subsidiary companies.

b) The Company has disputed service tax liability of Rs. 8.04 crores (For F.Y. 2017-18 it was Rs. 4.46 crores). In respect of the demand raised by Service Tax Department, the Company has filed appeal in the Customs Excise and Service Tax Appellate (CESTAT) against the order.

c) The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2017-18 it was Rs. 3.32 crores) in respect of Customs duty raised by Commissioner of Customs. In respect of the demand raised by Commissioner of Customs, the Company is of the opinion that the demand is not tenable and has made appropriate submission to the department. The Company has received stay order from Gujarat High Court against the demand of Custom Duty.

Both the above i.e. (b) & (c) demands 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:

(Rs. in Lacs)

SR. NO.	PARTICULARS	AS AT 31 <sup>ST</sup> MARCH, 2019	AS AT 31 <sup>ST</sup> MARCH, 2018
1	Principal amount due and remaining unpaid	98.69	42.94
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	2018-2019	2017-2018
Statutory Audit	9.00	9.00
Others	Nil	Nil
<b>TOTAL</b>	<b>9.00</b>	<b>9.00</b>

### 40. EARNING PER SHARE

PARTICULARS	2018-2019	2017-2018
Profit After Tax (Rs. in lacs)	4,056.64	4,155.87
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.)	25.34	25.96

(Rs. in Lacs)

SR. NO.	PARTICULARS	2018-2019	2017-2018
41.	Value of imported and indigenous consumption – Raw Material		
	• Imported Raw material	1,05,191.59 59.08%	1,23,055.04 57.56%
	• Indigenous Raw material	72,854.29 40.92%	90,740.82 42.44%
	<b>TOTAL</b>	<b>1,78,045.88</b>	<b>2,13,795.86</b>
42.	Interest received during the year that is net off against the Finance Cost charged to Profit & Loss Statement	1,073.36	1,014.93
43.	Value of Import on CIF Basis Raw Materials	1,08,125.32	1,10,031.43
44.	Expenditure in Foreign Currency		
	Foreign Traveling	18.01	18.30
	Repairs & Maintenance	-	11.57
	Advertisement	-	7.04
	Membership & Subscription	17.47	17.12
	Consumables	23.66	5.30
	Display Material	-	1.63
	Legal & Professional fees	3.83	6.49
	Entertainment Expenses	0.73	16.29
	Diamond Grading Charges	11.62	1.64
	Diamond Inscription Charges	32.10	-
	Trade Fare Expenses	21.97	21.58
Export Packing Charges	8.73	5.23	
45.	Earning in Foreign Exchanges FOB value of Exports	1,55,819.75	1,72,396.81
46.	Net Gain/(Loss) on Exchange Fluctuation as included in total Revenue from operations & purchases reflected in the Profit & Loss Statement:		
	- Revenue from operations	1,780.19	30,085.73
	- Purchases	4,326.38	(9,323.22)
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, 2019	AS AT MARCH 31, 2018
<b>NON-CURRENT</b>		
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 Trading (Hongkong) Ltd.	103.58	103.58
Aggregate fair value	344.56	344.56
Aggregate book value	248.17	248.17
Gain / (Loss) on fair value recognised in Retained earnings	96.40	96.40
Unquoted, fully paid up In Equity Shares of Other Companies Shares at Fair Value through Profit and loss		
Indian Commodity Exchange Ltd.	2,010.00	1,675.00
Utkarsh Coreinvest Ltd.	117.00	117.00
Other Investments		
Ratnanjali Infra LLP (Partnership Firm)	2,447.19	2,224.06
Aggregate fair value	4,574.19	4,016.06
Aggregate book value	4,239.19	4,016.06
Gain / (Loss) on fair value recognised in P&L	335.00	-
Gain / (Loss) on fair value recognised in Retained earnings	-	-
Other Financial Assets	75.70	74.94
<b>CURRENT</b>		
i) Investments (refer note 6)		
Unquoted, fully paid up In bonds At Fair Value through Profit and loss		
Sovereign Gold Bond Scheme	23.31	23.31
Aggregate fair value	23.31	23.31
Aggregate book value	23.31	23.31
Gain / (Loss) on fair value recognised in P&L	-	-
Quoted, fully paid up In Equity & Mutual fund At Fair Value through Profit and loss		
Classic Diamonds (India) Ltd.	-	0.01
Shrenuj & Co Ltd.	-	0.02
Windsome Diamonds & Jewellery Ltd.	0.01	0.01
Titan Company Limited	277.38	-
Reliance Communications Ltd	4.14	-
Aarti Industries Ltd	154.65	130.04
Aegis Logistics Ltd	100.61	149.88
APL Apollo Tubes Ltd	63.92	104.12
Asian Oilfield Serve Ltd	-	35.18
Astec Lifescience Ltd	-	71.17
Dalmia Bharat Ltd	-	75.88
Exide Industries Ltd	57.80	69.03
HDFC Bank Ltd	187.10	176.36
Indian Energy Exchange Ltd	52.00	58.66
La Opala RG Ltd	49.28	-
J.K.Tyre & Industries	-	64.67
KEI Industries Ltd	67.14	71.38
Maruti Suzuki Ltd	110.62	170.84
Navin Fluorine Intl Ltd	72.54	92.51
Odisha Cement Ltd	53.57	-
Qess Corp Ltd	47.53	7.29
Radio City Ltd	-	62.37
Shilpa Medicate Ltd	37.22	60.65
Voltas Ltd	50.52	56.35
Axis Bank Ltd	48.12	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Bajaj Auto Ltd	46.44	-
Bajaj Finance Ltd	69.60	10.03
Bandhan Bank	27.30	-
Ashok Leyland Ltd	-	58.16
BASF India Ltd	-	62.33
Escorts Ltd	-	32.72
INFO Edge (India) Ltd	73.71	47.55
Infosys Ltd	44.54	-
L & T Finance Holdings Ltd	-	47.15
Piramal Enterprises Ltd	-	63.68
Tata Elexi Ltd	44.04	43.83
Ujjivan Fin Serv Ltd	-	51.84
United Spirits Ltd	55.30	62.52
Varun Beverages Ltd	84.36	55.57
Asian Paints Ltd	-	3.35
Bajaj Finserve Ltd	8.86	8.95
Berger Paints India Ltd	6.60	-
Britania Industries Ltd	5.98	4.13
Dabur India Ltd	3.66	-
Eicher Motors Ltd	5.96	3.40
Gruh Finance Ltd	3.96	4.50
HDFC Life Ins Co Ltd	2.72	1.66
Hind Petro Corp Ltd	-	7.07
Indusind Bank	4.58	4.61
Kaveri Seed Co Ltd	2.22	2.56
Motherson Sumi Ltd	-	8.23
MRF Ltd	-	4.34
NBCC India Ltd	-	2.82
P I Industries Ltd	2.81	3.68
Page Industries Ltd	6.97	-
Petronet LNG Ltd	3.55	2.74
Reliance Industries Ltd	4.06	-
Ramco Cements Ltd	-	2.60
Supreme Industries Ltd	3.70	3.77
Astral Poly Technik Ltd	2.54	-
Alia Engineering Ltd	2.51	1.31
Balkrishna Industries Ltd	2.73	4.25
Cholamandalam Inv & Fin Co Ltd	2.92	-
Greenlam Industries Ltd	2.51	3.59
Gujarat Gas Ltd	-	4.35
Havells India Ltd	1.33	3.48
JK Paper Ltd	-	2.58
Kajaria Ceramics Ltd	6.55	3.90
MAS Fin Serv Ltd	2.55	3.50
Minda Industries Ltd	-	4.00
Nestle India Ltd	1.54	-
Nilkamal Ltd	-	2.88
Pidilite Ind Ltd	3.19	-
PNB Housing Fin Ltd	2.17	-
Relaxo Footware Ltd	2.59	4.44
Siyaram Silk Mills Ltd	2.42	3.00
Solar Industries Ltd	2.45	-
Tasty Bite Eatables Ltd	1.34	0.67
Sundaram Finance Ltd	-	3.45
Sundaram Finance Holdings Ltd	-	0.64

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Symphony Ltd	-	2.02
Timken India Ltd	-	3.52
Vardhaman Textiles Ltd	-	3.93
Alkem Lab Ltd	3.52	4.00
Au Small Fin Bank	4.97	5.85
Bayer Cropscience Ltd	1.59	1.52
Birla Corporation Ltd	4.36	5.95
Birla Corporation Ltd	3.48	3.88
Canfin Homes Ltd	3.51	4.83
Development Credit Bank Ltd	9.22	7.52
Dhanuka Agritech Ltd	1.30	1.84
Dishman Carbogen Amcis Ltd	2.64	3.37
Dr Lal Path Ltd	3.32	2.79
Gabriel India Ltd	3.91	3.71
Glaxo Smithkline Consumer Healthcare	1.16	0.73
IIFL Holdings Ltd	1.51	2.51
ITD Cement India Ltd	2.23	2.67
Laxmi Vilas Bank Ltd	2.14	2.97
Mahanagar Gas Ltd	4.69	4.42
Suprajit Engg Ltd	1.57	1.78
TTK Prestige Ltd	5.85	4.13
V-Mart Retail Ltd	0.97	-
VIP Industries Ltd	1.15	-
Reliance Liquid Fund -Div Reinvestment	237.14	1.06
Reliance Liquid Fund Direct-Growth	41.22	23.63
HDFC Small Cap Fund Direct Growth Plan	74.10	72.31
Kotak Select Focus Fund Direct Plan Growth	81.41	72.25
Motilal Oswal Most Focused Multicap 35 Fund	98.41	98.70
<b>Aggregate fair value of quoted investments</b>	<b>2,580.48</b>	<b>2,448.14</b>
<b>Aggregate book value of quoted investments</b>	<b>2,643.77</b>	<b>2,323.18</b>
Gain / (Loss) on fair value recognised in P&L	(63.28)	124.96
<b>ii) Trade Receivables - At amortised cost</b>	<b>63,380.71</b>	<b>77,020.84</b>
<b>iii) Cash and Cash Equivalents (refer note 8)</b>		
Balances with Banks in Current accounts	3,790.91	4,314.62
Fixed Deposits with Banks	7,116.00	6,977.76
Cash on hand	24.35	19.26
<b>iv) Other Bank Balances (refer note 9)</b>	<b>9,242.35</b>	<b>9,681.64</b>
<b>v) Loans &amp; Advances (refer note 10)</b>		
Loans (Considered good unless otherwise stated)		
At Amortised Cost		
Unsecured, considered good - At amortised cost	5,425.58	4,112.77
<b>vi) Other Financial Assets (refer note 11)</b>		
Derivatives - Foreign Exchange Contracts -At FVTPL	-	244.39
<b>Total Financial Assets</b>	<b>91,583.69</b>	<b>1,04,842.72</b>

FINANCIAL LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>NON-CURRENT</b>		
<b>Borrowings (refer note 14)</b>		
At Amortised cost		
Loans from related parties-directors	4,947.50	2,253.86
<b>CURRENT</b>		
<b>i) Borrowings (refer note 19)</b>		
At Amortised cost		
Secured working Capital Loan from Banks	54,999.34	69,996.01
Loans from related parties-directors	8,867.43	6,505.80
<b>ii) Trade Payables (refer note 20)</b>		
At Amortised Cost		
Creditors for Goods	15,779.34	25,666.36
Creditors for Processing	2,700.06	1,937.52
<b>iii) Other Financial Liabilities- At FVTPL (refer note 21)</b>		
Derivatives Foreign Exchange contracts	34.30	337.98
<b>Total Financial Liabilities</b>	<b>82,380.48</b>	<b>1,04,443.66</b>

FINANCIAL INSTRUMENTS BY CATEGORY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019			AS AT MARCH 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>FINANCIAL ASSETS</b>						
<b>Non-Current</b>						
Investments	4,918.75	-	-	4,360.62	-	-
Other Financial Assets	-	-	75.71	-	-	74.95
<b>Current</b>						
Investments	2,603.79	-	-	2,471.45	-	-
Trade Receivables	-	-	63,380.71	-	-	77,020.84
Cash and Cash Equivalents	10,931.26	-	-	11,311.64	-	-
Other Bank balances	9,242.35	-	-	9,681.64	-	-
Loans & Advances	-	-	5,425.58	-	-	4,112.77
Derivatives - Foreign Exchange Contracts	-	-	-	244.39	-	-
<b>FINANCIAL LIABILITIES</b>						
<b>Non-Current</b>						
Borrowings	-	-	4,947.50	-	-	2,253.86
<b>Current</b>						
Borrowings	-	-	63,866.77	-	-	75,601.81
Trade Payables	-	-	18,479.40	-	-	27,603.88
Derivatives - Foreign Exchange Contracts	34.30	-	-	337.98	-	-

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)
<b>Assets measured at fair value (Note No. 2,6,8,9,11)</b>					
Investments					
Non-Current	31.03.19	4,918.75	-	4,918.75	-
Current	31.03.19	2,603.82	2,603.82	-	-
Cash and Cash Equivalents	31.03.19	10,931.26	-	-	-
Other Bank Balances	31.03.19	9,242.35	-	-	-
Derivatives - Foreign Exchange Contracts	31.03.19	-	-	-	-
<b>Assets for which fair values are disclosed (Note No. 3,7,10)</b>					
Loans & Advances	31.03.19	5,425.58	-	5,425.58	-
Other Financial Assets	31.03.19	75.70	-	75.70	-
Trade Receivables	31.03.19	63,380.71	-	63,380.71	-
<b>Liabilities measured at fair value (Note No. 21)</b>					
Derivatives - Foreign Exchange Contracts	31.03.19	34.30	34.30	-	-
<b>Liabilities for which fair values are disclosed (Note No. 14,19,20)</b>					
Borrowings					
Non-Current	31.03.19	4,947.50	-	4,947.50	-
Current	31.03.19	63,866.77	-	63,866.77	-
Trade Payables	31.03.19	18,479.40	-	18,479.40	-



(Rs. in Lacs)

PARTICULARS			Fair Value measurement using		
	Date of Valuation	Total	Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
<b>Assets measured at fair value (Note No. 2,6,8,9,11)</b>					
Investments					
Non-Current	31.03.18	4,360.62	-	4,360.62	-
Current	31.03.18	2,471.50	2,471.50	-	-
Cash and Cash Equivalents	31.03.18	11,311.64	-	-	-
Other Bank Balances	31.03.18	9,681.64	-	-	-
Derivatives - Foreign Exchange Contracts	31.03.18	244.39	244.39	-	-
<b>Assets for which fair values are disclosed (Note No. 3,7,10)</b>					
Loans & Advances	31.03.18	4,112.77	-	4,112.77	-
Other Financial Assets	31.03.18	74.94	-	74.94	-
Trade Receivables	31.03.18	77,020.84	-	77,020.84	-
<b>Liabilities measured at fair value (Note No.21)</b>					
Derivatives - Foreign Exchange Contracts	31.03.18	337.98	337.98	-	-
<b>Liabilities for which fair values are disclosed (Note No. 14,19,20)</b>					
Borrowings					
Non-Current	31.03.18	2,253.86	-	2,253.86	-
Current	31.03.18	76,501.81	-	76,501.81	-
Trade Payables	31.03.18	27,603.88	-	27,603.88	-

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 31/3/2019 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
<b>Credit Risk</b>	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
<b>Liquidity Risk</b>	Borrowings, interest thereon, trade and other payables	Cash flows measurement	Short Term and Long Term Cash forecasts
<b>Market Risk - Interest rate risk</b>	Variable and Fixed rate borrowings	Sensitivity Analysis	Monitoring of Interest rates
<b>Market Risk - foreign currency risk</b>	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 / corporate 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 / corporate, 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 2019. Of the total trade receivables, Rs. 56,164 lacs as at March 31, 2019 and Rs. 68,750 lacs as at March 31, 2018 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. 37.56 lacs as at March 31, 2019 and Rs. 26.69 lacs as at March 31, 2018 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, 2019	AS AT MARCH 31, 2018
1-90	3,749.33	5,228.26
91-180	2,018.11	2,239.55
More than 180	1,448.42	802.80
<b>Total</b>	<b>7,215.86</b>	<b>8,270.60</b>

### 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 31.03.2019: (Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	16,436.54	40,096.43	7,333.80	4,947.50
Interest on Borrowings	23.04	-	-	-
Trade payables	5,104.09	11,405.77	1,969.54	-
<b>Maturity analysis for Derivative Financial Liabilities:</b>				
Net settled derivative contracts – Financial Assets	-	-	-	-
Net settled derivative contracts – Financial Liabilities	10.51	-	-	23.79

### 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
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	16,751.82	48,994.44	10,755.55	2,253.86
Interest on Borrowings	30.35	-	-	-
Trade payables	13,079.45	14,425.19	99.23	-
<b>Maturity analysis for Derivative Financial Liabilities:</b>				
Net settled derivative contracts – Financial Assets	192.21	35.59	16.59	0.01
Net settled derivative contracts – Financial Liabilities	11.29	61.53	111.00	154.15

### 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 / contracts entered based on orders denominated in a currency other than the functional currency of the Company
- transactional exposure that arises from the cost of goods sold / payables / contracts entered based on orders denominated in a currency other than the functional currency of the Company.
- Foreign currency exposure that arises from foreign currency 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, 2019 covers 162 Kgs and for purchase of silver covers 60 Kgs. (For F.Y. 2017-18 it was for Sale of Gold 93 Kgs and for Purchase of Silver 30 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 related to interest rate changes:

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>Variable rate borrowings</b>		
Bank Loan in Rs. in lacs	244	16,450
Bank Loan \$ in million	78.82	82.32

### 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	31.03.2019	31.03.2018
<b>For \$ Borrowings</b>		
Increase in Interest rate - 50 basis points p.a.	(272)	(268)
Decrease in Interest rate - 50 basis points p.a.	272	268
<b>For Rs. Borrowings</b>		
Increase in Interest rate - 75 basis points p.a.	(1.83)	(123.38)
Decrease in Interest rate - 75 basis points p.a.	1.83	123.38

### Foreign Currency risk

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

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
<b>Financial Assets</b>		
Trade Receivables	73.58	103.18
Cash and Cash Equivalents	1.23	0.46
<b>Financial Liabilities</b>		
Borrowings	78.82	82.32
Trade payables	25.76	42.54
Derivatives Forward contracts (Net)	21.68	99.47

### 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	31.03.2019	31.03.2018
USD		
USD-INR Increase by 1%	(356)	(785)
USD-INR decrease by 1%	356	785

### 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, disposals of property assets, etc. The Company borrows uses borrowing facilities to meet the Company's business requirements.

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, 2019 and 31st March, 2018 was 48% and 53%, respectively.

### 50. Collaterals

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

- Fixed deposits – Value Rs. 15,546 lacs
- Hypothecation of Stock in trade and Trade receivables – Value Rs. 109,091 lacs.
- Mortgage of premises at Mumbai & Surat – Value Rs. 15,315 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. During the year the company received final approval from NCLT, Mumbai for merger by absorption of Asian Star Jewels Pvt. Ltd, a wholly owned subsidiary with the company with effect from 1.4.2017. The financial statements have been regrouped / rearranged to give effect of the merger w.e.f. 1.4.2017.

53. 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  
FRN: 105765W

**MAHENDRA DOSHI**  
Proprietor  
Membership No. 41316

Place : Mumbai  
Dated : May 22, 2019

**SUJATA NADGOUDA**  
Company Secretary

Place : Mumbai  
Dated : May 22, 2019

For and on behalf of the Board

**DINESH T. SHAH**  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated : May 22, 2019

**VIPUL P. SHAH**  
CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated: May 22, 2019

## INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF ASIAN STAR COMPANY LIMITED

### Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ASIAN STAR COMPANY LIMITED** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

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 their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit/loss, the consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Gems &amp; Jewellery is highly working capital-intensive industry and Inventory is a major component of it. Inventory mainly consists of Rough Diamonds, Cut &amp; Polished diamonds, Jewellery, Gold and other precious metal and precious and semi-precious stones.</p> <p>Cut &amp; Polished Diamonds not being a standardized product requires specialized skill and knowledge for valuation.</p> <p>Because of the above reasons we have identified inventory as Key audit matter.</p>	<p>In view of the significance of the matter, we have applied the following audit procedures in this area, among other procedures to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> <li>- We assessed the appropriateness of the inventories accounting policies and its compliances with the applicable accounting standards.</li> <li>- We evaluated the key controls with respect to the movement of inventory and its recording. There are sufficient and effective controls in the IT systems recording movement from manufacturing to sales.</li> <li>- Inventory of cut &amp; polished diamonds is valued using Specific Identification method and in smaller sizes where it is not possible, the valuation is done using Retail Method.</li> <li>- We evaluated reasonableness of the management's assessment of net realizable value which is substantiated by the valuation done by a government approved valuer.</li> </ul>

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 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. 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; 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 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a

manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of 47,181.06 lacs as at 31st March, 2019, total revenues of Rs. 1,52,676.28 and net cash flows amounting to Rs. (340.33) 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. 3.93 lacs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of associates, whose financial statements have not been audited by us. These financial statements 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 and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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 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 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.

- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 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, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  1. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities- Refer Note 37 to the consolidated financial statements.
  2. 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 (b) the Group's share of net profit/loss in respect of its associates.
  3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, associate companies and incorporated in India.

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

MAHENDRA DOSHI  
PROPRIETOR  
MEMBERSHIP NO. 41316

Place : Mumbai  
Date : May 22, 2019

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (1) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Asian Star Company Limited)

### Report on the Internal Financial Controls Over Financial Reporting 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 of ASIAN STAR COMPANY LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 component so 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. 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 respective 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 The Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the 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 misstatement 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 a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide 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 the 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.

#### 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 of 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies incorporated India, whose financial statements / information are audited and our opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Group is not affected as this financial statements / information is not material to the Group.

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

MAHENDRA DOSHI  
PROPRIETOR  
MEMBERSHIP NO. 41316

Place : Mumbai  
Date : May 22, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2019		AS AT MARCH 31, 2018	
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
a Property, Plant & Equipment	1	22,888.11		24,125.48	
b Intangible Assets	1	-		22.28	
c Investment Property		4,993.10		4,993.10	
d Financial Assets					
i) Non Current Investments	2	4,574.19		4,016.06	
ii) Other Financial Assets	3	90.73		116.67	
e Non Current Tax Assets	4	273.78		111.41	
f Other Non-Current Assets	5	634.86		563.22	
			33,454.77		33,948.22
<b>Current Assets</b>					
a Inventories	6	56,614.70		55,940.26	
b Financial Assets :					
i) Current Investments	7	2,603.79		2,471.45	
ii) Trade Receivables	8	76,539.16		92,485.42	
iii) Cash and Cash Equivalents	9	21,981.22		30,072.46	
iv) Other Bank Balances	10	9,242.35		10,412.11	
v) Loans and Advances	11	5,447.09		6,106.48	
vi) Other Financial Assets	12	8.86		251.46	
			1,72,437.17		1,97,739.64
<b>TOTAL</b>			<b>2,05,891.94</b>		<b>2,31,687.86</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
a Share Capital	13	1,600.68		1,600.68	
b Other Equity	14	1,05,750.78		96,780.51	
			1,07,351.46		98,381.19
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
a Financial Liabilities :					
Long-Term Borrowings	15	5,164.58		2,260.51	
b Deferred Tax Liabilities (Net)	16	4,868.75		4,719.12	
c Long-Term Provisions	17	891.57		838.33	
d Other Non-Current Liabilities	18	561.08		780.66	
			11,485.98		8,598.62
<b>Current Liabilities</b>					
a Financial Liabilities					
i) Short-Term Borrowings	19	63,866.77		82,175.88	
ii) Trade Payables	20	20,127.67		22,901.44	
iii) Other Financial Liabilities	21	34.30		337.98	
b Other Current Liabilities	22	3,025.76		19,292.75	
			87,054.50		1,24,708.05
<b>TOTAL</b>			<b>2,05,891.94</b>		<b>2,31,687.86</b>
Significant Accounting Policies					
Notes on Financial Statements	1 to 48				

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 22, 2019

For and on behalf of the Board

SUJATA NADGOUDA  
Company Secretary

Place : Mumbai  
Dated : May 22, 2019

DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated : May 22, 2019

VIPUL P. SHAH  
CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated : May 22, 2019

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (Rs. in Lacs)

PARTICULARS	NOTE	2018-2019		2017-2018	
Revenue From Operations	23	3,64,219.35		3,90,502.62	
Other Income	24	455.30		823.09	
<b>Total Revenue</b>			<b>3,64,674.65</b>		<b>3,91,325.71</b>
<b>Expenses:</b>					
Cost of Materials Consumed	25	1,78,045.88		2,07,345.72	
Purchases of Stock-in-Trade		1,33,497.97		1,27,050.14	
Changes In Inventories Of Finished Goods, Work-In-Progress & Stock-in-Trade	26	(3,667.26)		977.84	
Employee Benefit Expense	27	6,746.60		7,291.76	
Finance Costs	28	2,638.63		3,055.92	
Depreciation and Amortization Expense		1,720.66		1,739.87	
Other Expenses	29	31,655.50		30,696.10	
<b>Total Expenses</b>			<b>3,50,637.98</b>		<b>3,78,157.35</b>
<b>Profit Before Exceptional Items &amp; Tax</b>			<b>14,036.67</b>		<b>13,168.36</b>
Exceptional Items Income/(Loss)	30		(347.08)		(503.47)
<b>Profit Before Tax</b>			<b>13,689.59</b>		<b>12,664.89</b>
<b>Tax expense</b>					
Current Tax			1,956.91		2,109.12
Deferred Tax			149.62		(362.97)
Minority Interest			90.49		5.38
<b>Profit after Tax</b>			<b>11,492.57</b>		<b>10,913.36</b>
Other Comprehensive Income			(223.42)		(42.21)
<b>Total Comprehensive Income</b>			<b>11,269.15</b>		<b>10,871.15</b>
<b>Earnings Per Equity Share:</b>					
Basic and Diluted (In Rs.)			71.80		68.18
Significant Accounting Policies					
Notes on Financial Statements	1 to 48				

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 22, 2019

SUJATA NADGOUDA  
Company Secretary

Place : Mumbai  
Dated : May 22, 2019

For and on behalf of the Board

DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated : May 22, 2019

VIPUL P. SHAH  
CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated : May 22, 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	13,689.57	12,664.91
Adjustment for		
Depreciation	1,720.66	1,739.87
Preliminary Expenses	0.06	0.08
Finance Costs	2,638.63	3,055.92
Unrealised Foreign Exchange (Gain) / Loss	(818.73)	44.31
Dividend Received	(16.53)	(16.40)
(Profit)/Loss on Sale of Fixed Assets	347.08	503.47
(Profit)/Loss on Sale of Investment	(1.42)	(56.29)
Diminution in value of Investment written off / (written back)	(271.72)	(124.96)
Changes in Other Comprehensive Income	1,252.05	79.42
Operating Profit Before Working Capital Changes	18,539.65	17,890.33
Adjustment for		
Receivables	15,257.26	(5,801.67)
Inventories	(674.44)	7,072.60
Loans & Advances	856.22	3,509.33
Current and Non Current Liabilities	(19,058.83)	6,960.31
Cash generated from / (used in) Operations	14,919.86	29,630.90
Taxation	(2,130.54)	(1,827.35)
Cash flow before Extraordinary items	12,789.32	27,803.55
Net Cash from / (used in) Operating Activities	12,789.32	27,803.55
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(945.60)	(772.78)
Sale of Fixed Assets	137.51	428.49
Purchase / Increase of Investments	(1,207.44)	(4,090.45)
Dividend Received	16.53	16.40
Sale / Decrease of Investments	790.11	992.09
Net Cash from / (used in) Investing Activities	(1,208.89)	(3,426.25)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings	2,904.07	(246.14)
Short Term Borrowings	(17,276.77)	(13,369.57)
Increase in Minority Interest due to Introduction of Capital	(3,590.00)	3,518.98
Finance Costs	(2,638.63)	(3,055.92)
Dividend Paid	(240.10)	(240.10)
Net Cash from / (used in) Financing Activities	(20,841.43)	(13,392.75)
Net Increase / (decrease) in Cash & Cash Equivalents	(9,261.00)	10,984.55
Cash & Cash Equivalents as at 1st April (Opening)-*	40,484.57	29,500.02
Cash & Cash Equivalents as at 31st March (Closing)-*	31,223.57	40,484.57

\* includes fixed deposits of Rs. 15,546.33 lacs (FY 17-18 Rs. 15,865.61 lacs) pledged as collateral securities with banks for facilities obtained.  
Includes fixed deposits of Rs. 9,242.35 lacs (FY 17-18 Rs. 10,412.11 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 22, 2019

For and on behalf of the Board

SUJATA NADGOUDA  
Company Secretary

Place : Mumbai  
Dated : May 22, 2019

DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated : May 22, 2019

VIPUL P. SHAH  
CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated : May 22, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital (Rs. in Lacs)

Particulars	Balance at the beginning of the period April 1, 2017	Changes in Equity share capital during the year 2017-18	Balance at the end of the reporting period March 31, 2018	Changes in Equity share capital during the year 2018-19	Balance at the end of the reporting period March 31, 2019
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	Minority Interest	Other Comprehensive Income	
<b>AS ON MARCH 31, 2018</b>							
Balance at the beginning of the reporting period i.e. April 1, 2017	294.50	1,986.44	13,813.37	66,691.67	(286.54)	(14.08)	82,485.36
Total Income for the year	-	-	-	10,913.36	-	(42.21)	10,871.15
Dividend	-	-	-	(240.10)	-	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-	-
Provision for tax of Ealier Years written off	-	-	-	(8.55)	-	-	(8.55)
Other Comprehensive Income adjustments	-	-	-	-	-	54.50	54.50
Minority Interest adjustments	-	-	-	-	3,618.15	-	3,618.15
Balance at the end of the reporting period i.e. March 31, 2018	294.50	1,986.44	14,013.37	77,156.38	3,331.61	(1.79)	96,780.51
<b>AS ON MARCH 31, 2019</b>							
Balance at the beginning of the reporting period i.e. April 1, 2018	294.50	1,986.44	14,013.37	77,156.38	3,331.61	(1.79)	96,780.51
Total Income for the year	-	-	-	11,492.57	-	(223.42)	11,269.15
Dividend	-	-	-	(240.10)	-	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-	-
Provision for tax of Ealier Years written off	-	-	-	(7.24)	-	-	(7.24)
Other Comprehensive Income adjustments	-	-	-	-	-	1,475.45	1,475.45
Minority Interest Adjustments	-	-	-	-	(3,526.99)	-	(3,526.99)
Balance at the end of the reporting period i.e. March 31, 2019	294.50	1,986.44	14,213.37	88,201.61	(195.38)	1,250.24	1,05,750.78

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 22, 2019

SUJATA NADGOUDA  
Company Secretary

Place : Mumbai  
Dated : May 22, 2019

For and on behalf of the Board

DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated : May 22, 2019

VIPUL P. SHAH  
CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated : May 22, 2019



## 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 three wholly owned foreign subsidiaries - Asian Star DMCC, Asian Star Co. Ltd (USA) and Asian Star Trading (Hong Kong) Ltd. & one wholly controlled Indian Partnership Firm subsidiary - Shah Manufacturers. The Parent Company and its subsidiaries are engaged in the business of diamond cutting and polishing, jewellery manufacturing and retailing. The Parent Company is also 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.

#### e. Inventory Valuation

Valuation of Inventory of Cut & Polished diamonds is a technical subject requires technical skill, knowledge and

judgment. Its valuation is derived based on assessment by the Management and valuation carried out by the Government approved valuer based on physical verification of goods.

### 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 IndAS.

#### 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 of buildings 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 IndAS 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. & 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 in hand and short-term investments with an original maturity of three months or less.

#### 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 and associates. Details of subsidiaries and associates are as under:

Sr. No.	Name of Subsidiary and Associates	Country of Incorporation	Percentage of Ownership (Previous Year)
1)	Asian Star Co. Ltd.	US	100 (100)
2)	Asian Star DMCC	UAE	100 (100)
3)	Asian Star Trading (Hongkong) Ltd.	Hongkong	100 (100)
4)	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, mutual funds & bonds 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 and financial institutions. 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 31, 2019**

**1. PROPERTY, PLANT & EQUIPMENT**

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As At April 1, 2018	Additions	Deductions	As At March 31, 2019	As At April 1, 2018	For The Year	Deductions/ Exchange rate difference	As At March 31, 2019	As At March 31, 2019	As At March 31, 2018
<b>Tangible Assets</b>										
Land	6,076.34	-	-	6,076.34	16.02	-	-	16.02	6,060.32	6,060.32
Office Premises	2,667.62	197.61	-	2,865.23	549.35	194.08	62.66	680.77	2,184.46	2,118.27
Factory Premises	6,177.12	-	-	6,177.12	704.23	140.64	-	844.87	5,332.25	5,472.89
Plant & Machinery	15,537.42	436.35	791.98	15,181.79	6,610.32	943.25	296.52	7,257.05	7,924.74	8,927.10
Vehicles	906.46	116.01	42.53	979.94	476.91	101.11	39.06	538.96	440.98	429.55
Furniture & Fixtures	1,433.28	35.32	-	1,468.60	1,091.85	87.12	2.73	1,176.24	292.36	341.43
Office Equipments	2,027.82	69.50	6.62	2,090.70	1,344.70	146.97	1.58	1,490.09	600.61	683.12
Computer	779.09	46.23	1.99	823.33	686.29	85.21	0.56	770.94	52.39	92.80
	35,605.15	901.02	843.12	35,663.05	11,479.67	1,698.38	403.11	12,774.94	22,888.11	24,125.48
<b>Intangible Assets</b>										
Goodwill	20.81	-	20.81	-	-	20.81	20.81	-	-	20.81
Computer Software	18.13	-	-	18.13	16.66	1.47	-	18.13	-	1.47
	38.94	-	20.81	18.13	16.66	22.28	20.81	18.13	-	22.28
<b>CURRENT YEAR</b>	<b>35,644.09</b>	<b>901.02</b>	<b>863.93</b>	<b>35,681.18</b>	<b>11,496.33</b>	<b>1,720.66</b>	<b>423.92</b>	<b>12,793.07</b>	<b>22,888.11</b>	<b>24,147.76</b>
<b>PREVIOUS YEAR</b>	<b>36,335.50</b>	<b>793.58</b>	<b>1,484.99</b>	<b>35,644.09</b>	<b>10,282.86</b>	<b>1,739.87</b>	<b>526.40</b>	<b>11,496.33</b>	<b>24,147.76</b>	<b>26,026.02</b>

**2. NON-CURRENT INVESTMENTS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>Unquoted, Equity Instruments</b>		
In Companies carried at Fair value through Profit & loss (all fully paid)		
Utkarsh Coreinvest Ltd. (90,000 (90,000) Shares of Rs. 10 each)	117.00	117.00
Indian Commodity Exchange Ltd. (1,67,50,000 (1,67,50,000) Shares of Rs. 10 each)	2,010.00	1,675.00
<b>Other Investments</b>		
Ratnanjali Infra LLP (Partnership Firm)	2,447.19	2,224.06
<b>Total</b>	<b>4,574.19</b>	<b>4,016.06</b>

**3. OTHER FINANCIAL ASSETS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Deposits with Others	37.19	64.42
Security Deposits	53.54	52.25
<b>Total</b>	<b>90.73</b>	<b>116.67</b>

4. NON CURRENT TAX ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Taxation	273.78	111.41
<b>Total</b>	<b>273.78</b>	<b>111.41</b>

5. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Capital Advances	375.91	364.91
Security Deposit	258.70	198.00
Preliminary expenditure (To the extent not written off )	0.25	0.31
<b>Total</b>	<b>634.86</b>	<b>563.22</b>

6. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Raw Materials	11,928.31	14,925.47
Work In Progress	6,410.96	4,737.29
Finished Goods & Stock-in-Trade	38,223.17	36,229.58
Consumables (Inventories are valued as per point no. 3(n) to significant accounting policies)	52.26	47.92
<b>Total</b>	<b>56,614.70</b>	<b>55,940.26</b>

7. CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Investments carried at Fair Value through profit & loss (FVTPL)		
<b>Investments in Bond</b>		
Sovereign Gold Bond Scheme (800 (800) Units)	23.31	23.31
<b>A</b>	<b>23.31</b>	<b>23.31</b>
<b>Quoted, fully paid up</b>		
Classic Diamonds (India) Ltd. Nil (716) Shares of Rs. 2 each	-	0.01
Shrenuj & Co Ltd. Nil (2,000) Shares of Rs. 2 each	-	0.02
Winsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.01	0.01
Titan Company Limited 24,385 (Nil) Shares of Re.1 each	277.38	-
Reliance Communications Ltd 100,000 (Nil) Shares of Rs.5 each	4.14	-
Aarti Industries Ltd 9,831 (11,365) Shares of Rs. 5 each	154.65	130.04
Aegis Logistics Ltd 49,570 (57,895) Shares of Re.1 each	100.61	149.88
APL Apollo Tubes Ltd 4,440 (5,220) Shares of Rs. 10 each	63.92	104.12
Asian Oilfield Serv Ltd Nil (18,815) Shares of Rs. 10 each	-	35.18
Astec Lifescience Ltd Nil (12,235) Shares of Rs. 10 each	-	71.17
Dalmia Bharat Ltd Nil (2,630) Shares of Rs. 2 each	-	75.88
Exide Industries Ltd 26,435 (31,100) Shares of Re. 1 each	57.80	69.03
HDFC Bank Ltd 8,077 (9,324) Shares of Rs. 2 each	187.10	176.36
Indian Energy Exch Ltd 31,630 (3,721) Shares of Re. 1 each	52.00	58.66
La Opala RG Ltd 22,780 (Nil) Shares of Rs. 2 each	49.28	-
J.K.Tyre & Industries Nil (40,000) Shares of Rs. 2 each	-	64.67
KEI Industries Ltd 15,775 (18,550) Shares of Rs. 2 each	67.14	71.38
Maruti Suzuki Ltd 1,658 (1,936) Shares of Rs. 5 each	110.62	170.84
Navin Fluorine Intl Ltd 12,000 (12,000) Shares of Rs. 2 each	72.54	92.51
Odisha Cement Ltd 5,412 (Nil) Shares of Rs. 2 each	53.57	-
Quess Corp Ltd 6,315 (709) Shares of Rs. 10 each	47.53	7.29

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Radio City Ltd Nil (15,704) Shares of Rs. 2 each	-	62.37
Shilpa Medicare Ltd 11,088 (13,044) Shares of Re. 1 each	37.72	60.65
Voltas Ltd 8,014 (9,080) Shares of Re. 1 each	50.52	56.35
Axis Bank Ltd 6,200 (Nil) Shares of Rs. 2 each	48.12	-
Bajaj Auto Ltd 1,600 (Nil) Shares of Rs. 10 each	46.64	-
Bajaj Finance Ltd 2,301 (569) Shares of Rs. 2 each	69.60	10.03
Bandhan Bank 5,200 (Nil) Shares of Rs. 10 each	27.30	-
Ashok Leyland Ltd Nil (40,000) Shares of Rs. 1 each	-	58.16
BASF India Ltd Nil (3,000) Shares of Rs. 10 each	-	62.33
Escorts Ltd Nil (3,950) Shares of Rs. 10 each	-	32.72
INFO Edge (India) Ltd 4,000 (4,000) Shares of Rs. 10 each	73.71	47.55
Infosys Ltd 6,000 (Nil) Shares of Rs. 5 each	44.54	-
L & T Finance Holdings Ltd Nil (30,000) Shares of Rs. 10 each	-	47.15
Piramal Enterprises Ltd Nil (2,609) Shares of Rs. 2 each	-	63.68
Tata Elexi Ltd 4,572 (4,450) Shares of Rs. 10 each	44.04	43.83
Ujjivan Fin Serv Ltd Nil (15,000) Shares of Rs. 10 each	-	51.84
United Spirits Ltd 10,000 (2,000) Shares of Rs. 2 each	55.30	62.52
Varun Beverages Ltd 9,751 (9,000) Shares of Rs. 10 each	84.36	55.57
Asian Paints Ltd Nil (299) Shares of Re. 1 each	-	3.35
Bajaj Finserv Ltd 126 (172) Shares of Rs. 5 each	8.86	8.95
Berger Paints India Ltd 2,038 (Nil) Shares of Re. 1 each	6.60	-
Britania Industries Ltd 194 (83) Shares of Re. 1 each	5.98	4.13
Dabur India Ltd 894 (Nil) Shares of Re. 1 each	3.66	-
Eicher Motors Ltd 29 (12) Shares of Rs. 10 each	5.96	3.40

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Gruh Finance Ltd 1,434 (779) Shares of Rs. 2 each	3.96	4.50
HDFC Life Ins Co Ltd 718 (365) Shares of Rs. 10 each	2.72	1.66
Hind Petro Corp Ltd Nil (2,055) Shares of Rs. 10 each	-	7.07
Indusind Bank 257 (257) Shares of Rs. 10 each	4.58	4.61
Kaveri Seed Co Ltd 483 (531) Shares of Rs. 2 each	2.22	2.56
Motherson Sumi Ltd Nil (2,641) Shares of Rs. 1 each	-	8.23
MRF Ltd Nil (6) Shares of Re. 1 each	-	4.34
NBCC India Ltd Nil (1,480) Shares of Rs. 1 each	-	2.82
P I Industries Ltd Nil (414) Shares of Rs. 1 each	-	3.68
Page Industries Ltd 28 (Nil) Shares of Rs. 10 each	6.97	-
Petronet LNG Ltd 1,417 (1,186) Shares of Rs. 10 each	3.55	2.74
Reliance Industries Ltd 298 (Nil) Shares of Rs. 10 each	4.06	-
Ramco Cements Ltd Nil (355) Shares of Rs. 1 each	-	2.60
Supreme Industries Ltd 332 (317) Shares of Rs. 2 each	3.70	3.77
Astral Poly Technik Ltd 219 (Nil) Shares of Re. 1 each	2.54	-
AIA Engineering Ltd 140 (92) Shares of Rs. 2 each	2.51	1.31
Balkrishna Industries Ltd 274 (396) Shares of Rs. 2 each	2.73	4.25
Cholamandalam Inv & Fin Co Ltd 202 (Nil) Shares of Rs. 10 each	2.92	-
Greenlam Industries Ltd 265 (314) Shares of Rs. 5 each	2.51	3.59
Gujarat Gas Ltd Nil (524) Shares of Rs. 2 each	-	4.35
Havells India Ltd 173 (713) Shares of Re. 1 each	1.33	3.48
JK Paper Ltd Nil (1,910) Shares of Rs. 2 each	-	2.58
Kajaria Ceramics Ltd 1,110 (3,012) Shares of Re. 1 each	6.55	3.90
MAS Fin Serv Ltd 450 (589) Shares of Rs. 10 each	2.55	3.50

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Minda Industries Ltd Nil (372) Shares of Rs. 2 each	-	4.00
Nestle India Ltd 14 (Nil) Shares of Rs. 10 each	1.54	-
Nilkamal Ltd Nil (189) Shares of Rs. 10 each	-	2.88
PI Ind Ltd 272 (Nil) Shares of Rs. 10 each	2.81	-
Pidilite Ind Ltd 257 (Nil) Shares of Re. 1 each	3.19	-
PNB Housing Fin Ltd 251 (Nil) Shares of Rs. 10 each	2.17	-
Relaxo Footware Ltd 334 (682) Shares of Rs. 1 each	2.59	4.44
Siyaram Silk Mills Ltd 543 (493) Shares of Rs. 2 each	2.42	3.00
Solar Industries Ltd 228 (Nil) Shares of Rs. 2 each	2.45	-
Tasty Bite Eatables Ltd 16 (9) Shares of Rs. 10 each	1.34	0.67
Sundaram Finance Ltd Nil (206) Shares of Rs. 10 each	-	3.45
Sundaram Finance Holdings Ltd Nil (206) Shares of Rs. 5 each	-	0.64
Symphony Ltd Nil (113) Shares of Rs. 2 each	-	2.02
Timken India Ltd Nil (502) Shares of Rs. 10 each	-	3.52
Vardhaman Textiles Ltd Nil (322) Shares of Rs. 10 each	-	3.93
Alkem Lab Ltd 201 (201) Shares of Rs. 2 each	3.52	4.00
Au Small Fin Bank 835 (946) Shares of Rs. 10 each	4.97	5.85
Bayer Cropscience Ltd 36 (36) Shares of Rs. 10 each	1.59	1.52
Birla Corporation Ltd 832 (832) Shares of Rs. 10 each	4.36	5.95
Blue Star Ltd 513 (513) Shares of Rs. 2 each	3.48	3.88
Canfin Homes Ltd 1,007 (1,007) Shares of Rs. 2 each	3.51	4.83
Development Credit Bank Ltd 4502 (4,655) Shares of Rs. 10 each	9.22	7.52
Dhanuka Agritech Ltd 334 (334) Shares of Rs. 2 each	1.30	1.84
Dishman Carbogen Amcis Ltd 1,266 (1,053) Shares of Rs. 2 each	2.64	3.37

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2019	AS AT MARCH 31,2018
Dr Lal Path Ltd 318 (318) Shares of Rs. 10 each	3.32	2.79
Gabriel India Ltd 2,707 (2,707) Shares of Rs. 1 each	3.91	3.71
Glaxo Smithkline Consumer Healthcare Ltd 16 (12) Shares of Rs. 10 each	1.16	0.73
IIFL Holdings Ltd 352 (352) Shares of Rs. 2 each	1.51	2.51
ITD Cement India Ltd 1,695 (1,695) Shares of Re. 1 each	2.23	2.67
Laxmi Vilas Bank Ltd 3,012 (3,012) Shares of Rs. 10 each	2.14	2.97
Mahanagar Gas Ltd 445 (461) Shares of Rs. 10 each	4.69	4.42
Suprajit Engg Ltd 640 (640) Shares of Re. 1 each	1.57	1.78
TTK Prestige Ltd 67 (67) Shares of Rs. 10 each	5.85	4.13
V-Mart Retail Ltd 36 (Nil) Shares of Rs. 10 each	0.97	-
VIP Industries Ltd 237 (Nil) Shares of Rs. 2 each	1.15	-
<b>B</b>	<b>2,048.20</b>	<b>2,180.19</b>
<b>Investments in Mutual Fund</b>		
Reliance Liquid Fund -Div Reinvestment 23,653 (107) Units	237.14	1.06
Reliance Liquid Fund Direct-Growth 904 (903) Units	41.22	23.63
HDFC Small Cap Fund Direct Growth Plan 1,55,122 (1,55,122) Units	74.10	72.31
Kotak Select Focus Fund Direct Plan Growth 2,15,853 (2,15,853) Units	81.41	72.25
Motilal Oswal Most Focused Multicap35 Fund 3,61,232 (3,61,232) Units	98.41	98.70
<b>C</b>	<b>532.28</b>	<b>267.95</b>
<b>Total A+B+C</b>	<b>2,603.79</b>	<b>2,471.45</b>

## 8. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019		AS AT MARCH 31, 2018	
<b>Unsecured</b>				
Over six months from due date				
Considered Good	1,448.56		837.52	
Considered Doubtful	0.41		58.12	
	1,448.97		895.64	
Less: Provision for doubtful debts	0.41		58.12	
		1,448.56		837.52
<b>Others</b>				
Considered Good		75,090.60		91,647.90
<b>Total</b>		<b>76,539.16</b>		<b>92,485.42</b>

## 9. CASH AND BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Balances with Banks	14,830.81	23,142.63
Fixed Deposits with Banks	7,116.00	6,897.73
Cash on hand	34.41	32.10
<b>Total</b>	<b>21,981.22</b>	<b>30,072.46</b>

- Balance with banks include unclaimed Dividend of Rs.0.21 Lacs ( For F.Y. 2017-18 it was Rs.0.32 Lacs), & unclaimed fractional entitlement Rs.0.17 Lacs (For F.Y.2017-18 it was Rs.0.17 Lacs).

## 10. OTHER BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Fixed Deposits with Banks	9,242.35	10,412.11
<b>Total</b>	<b>9,242.35</b>	<b>10,412.11</b>

- Fixed Deposits with banks include deposits of Rs.976.75 lacs (For FY 2017-18 it was Rs.1,131.05 lacs) with maturity of more than 12 months.  
- Fixed Deposits with banks includes deposits of Rs.15,546.33 lacs (For F.Y. 2017-2018 it was Rs.15,865.61 lacs) pledged as collateral securities with the bank as security for facilities obtained.  
- Fixed Deposits with banks includes deposits of Rs.812.02 lacs (For F.Y. 2017-2018 it was Rs.748.79 lacs) kept as margin money against bank guarantees.

## 11. LOANS AND ADVANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>LOANS &amp; ADVANCES - Others</b>		
Unsecured, considered good	5,447.09	6,106.48
<b>Total</b>	<b>5,447.09</b>	<b>6,106.48</b>

\* includes advance interest paid on loan, advances to suppliers, prepaids expenses, Staff loans, etc.

## 12. OTHER FINANCIAL ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Derivatives - Foreign Exchange Contracts	-	244.39
Others	8.86	7.07
<b>Total</b>	<b>8.86</b>	<b>251.46</b>

## 13. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>Authorised</b>		
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
<b>Issued, Subscribed and Paid-up</b>		
1,60,06,800 ( 1,60,06,800 ) Equity Shares of Rs. 10 each	1,600.68	1,600.68
<b>Total</b>	<b>1,600.68</b>	<b>1,600.68</b>

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

PARTICULARS	AS AT MARCH 31, 2019		AS AT MARCH 31, 2018	
	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
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
Nirmala Dinesh Shah	18,00,000	11.25	18,00,000	11.25
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
<b>Total</b>	<b>1,19,50,000</b>	<b>74.66</b>	<b>1,19,50,000</b>	<b>74.66</b>

### 13.2 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
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



#### 14. OTHER EQUITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019		AS AT MARCH 31, 2018	
<b>Capital Reserves</b>				
As per Last Balance Sheet		294.50		294.50
<b>Capital Redemption Reserve</b>				
As per Last Balance Sheet		1,986.44		1,986.44
<b>General Reserves</b>				
As per Last Balance Sheet	14,013.37		13,813.37	
Add : Transferred from Profit and Loss Account	200.00		200.00	
		14,213.37		14,013.37
<b>Minority Interest</b>		(195.38)		3,331.61
<b>Surplus Account</b>				
As per last Balance Sheet	77,156.38		66,691.67	
Add: Profit for the Year	11,492.57		10,913.36	
	88,648.95		77,605.03	
Less: Appropriations				
Transferred to General Reserve	200.00		200.00	
Dividend Paid	240.10		240.10	
(Current Year Dividend per Share Rs.1.50)				
(Previous Year Dividend per Share Rs.1.50)				
Provision for Tax of Earlier Years written off	7.24		8.55	
	447.34		448.65	
		88,201.61		77,156.38
<b>Other Comprehensive Income</b>		1,250.24		(1.79)
<b>Total</b>		<b>1,05,750.78</b>		<b>96,780.51</b>

#### 15. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>Unsecured Loans</b>		
Loans from Related Party - Directors	4,947.50	2,253.86
Loan from Others	217.08	6.65
<b>Total</b>	<b>5,164.58</b>	<b>2,260.51</b>

#### 16. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>Deferred Tax Liability on account of :</b>		
Property, Plant & Equipment	5,035.49	4,879.43
Others	45.60	12.88
<b>A</b>	<b>5,081.09</b>	<b>4,892.31</b>
<b>Deferred Tax Asset on account of:</b>		
Provision for Doubtful Debts	20.11	20.11
Gratuity Liability	192.23	153.08
<b>B</b>	<b>212.34</b>	<b>173.19</b>
<b>Deferred Tax Liability (Net) A - B</b>	<b>4,868.75</b>	<b>4,719.12</b>

#### 17. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Provision for Employee Benefits		
Provision for Gratuity	891.57	838.33
<b>Total</b>	<b>891.57</b>	<b>838.33</b>

#### 18. OTHER NON-CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Deferred Income (Liability)	561.08	780.66
<b>Total</b>	<b>561.08</b>	<b>780.66</b>

#### 19. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>SECURED LOANS</b>		
Working Capital Loan from Banks	54,999.34	69,996.01
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		
<b>UNSECURED LOANS</b>		
Loans from Related Party / Others	8,867.43	12,179.87
<b>Total</b>	<b>63,866.77</b>	<b>82,175.88</b>

#### 20. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>Creditors for Goods</b>		
Total outstanding dues of Micro, Small & Medium enterprises	66.94	6.48
Others	17,254.42	21,179.48
<b>A</b>	<b>17,321.36</b>	<b>21,185.96</b>
<b>Creditors for Processing</b>		
Total outstanding dues of Micro, Small & Medium enterprises	439.48	322.70
Others	2,366.83	1,392.78
<b>B</b>	<b>2,806.31</b>	<b>1,715.48</b>
<b>Total A + B</b>	<b>20,127.67</b>	<b>22,901.44</b>

## 21. OTHER FINANCIAL LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Derivative foreign Exchange contracts	34.30	337.98
<b>Total</b>	<b>34.30</b>	<b>337.98</b>

## 22. OTHER CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Unclaimed Dividend	0.21	0.24
Other Payables *	3,025.55	19,292.51
<b>Total</b>	<b>3,025.76</b>	<b>19,292.75</b>

\* Includes statutory dues and payable for expenses/services.

## 23. REVENUE FROM OPERATIONS

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Sale of Products	3,63,545.25	3,89,933.96
Sale of Services	674.10	568.66
<b>Total</b>	<b>3,64,219.35</b>	<b>3,90,502.62</b>

\* The above includes net gain/(loss) on exchange fluctuation as mentioned in Note No. 43.

### 23.1 PARTICULARS OF THE SALE OF PRODUCTS

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Diamonds	3,04,177.29	3,34,403.72
Jewellery	58,765.38	54,890.02
Power- Windmill	602.58	640.22
<b>Total</b>	<b>3,63,545.25</b>	<b>3,89,933.96</b>

## 24. OTHER INCOME

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Commission Income	35.69	107.92
Dividend Income	16.53	16.40
Fair Value Gain / (loss) on Investments	271.72	124.96
Insurance Claim - Diamonds	48.78	-
Net gain/(loss) on sale of Investments	(2.51)	56.82
Service Tax Refund	9.96	34.78
Other Interest Income	49.35	12.17
Duty Benefit on Import of Machinery	45.16	41.39
Miscellaneous Receipts	8.18	5.11
Net (Gain)/loss on foreign currency transactions and translation	(31.49)	424.07
Share of profit from Partnership firm	3.93	(0.53)
<b>Total</b>	<b>455.30</b>	<b>823.09</b>

## 25. COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2018-2019		2017-2018	
Stock at the Commencement	14,925.47		21,031.47	
Purchases during the year	1,75,048.72		2,01,239.72	
	1,89,974.19		2,22,271.19	
Less : Stock at the Close	11,928.31		14,925.47	
		1,78,045.88		2,07,345.72
<b>Total</b>		<b>1,78,045.88</b>		<b>2,07,345.72</b>

## 26. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS & STOCK-IN-TRADE

(Rs. in Lacs)

PARTICULARS	2018-2019		2017-2018	
<b>Variation in Stock of Work In Progress</b>				
Stock at the Commencement	4,737.29		5,041.46	
Less: Stock at the Close	6,410.96		4,737.29	
<b>A</b>		(1,673.67)		304.17
<b>Variation in Stock of Finished Goods</b>				
Stock at the Commencement	31,500.50		32,684.34	
Less: Stock at the Close	27,319.00		31,500.50	
<b>B</b>		4,181.50		1,183.84
<b>Variation in Stock-in-Trade</b>				
Stock at the Commencement	4,729.08		4,218.91	
Less: Stock at the Close	10,904.17		4,729.08	
<b>C</b>		(6,175.09)		(510.17)
<b>Total A+B+C</b>		<b>(3,667.26)</b>		<b>977.84</b>

## 27. EMPLOYEE BENEFIT EXPENSE

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Salary & Bonus	3,759.43	4,655.42
Director's Remuneration	1,002.70	600.00
Wages	1,239.82	1,237.54
Gratuity	130.16	203.63
Ex Gratia & Leave Encashment	183.98	205.89
Labour Welfare Fund Expenses	0.59	0.81
Contribution to Provident Fund	224.60	253.75
Group Health Insurance Premium	3.46	28.56
Contribution to E.S.I.C.	50.24	60.83
Staff Welfare Expenses	151.62	45.33
<b>Total</b>	<b>6,746.60</b>	<b>7,291.76</b>

## 28. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Interest Expense	2,349.36	2,652.72
Other borrowing costs	286.42	403.11
Other Interest	2.85	0.09
<b>Total</b>	<b>2,638.63</b>	<b>3,055.92</b>

29. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2018-2019		2017-2018	
<b>Manufacturing Expenses</b>				
Processing Expenses	25,003.03		23,215.28	
Electricity, Power & Fuel	430.29		534.44	
Promotion Fund Expenses on Import	15.82		19.20	
Consumption of Stores & Spares	404.50		326.60	
Factory Expenses	172.14		205.68	
		26,025.75		24,301.20
<b>Administrative / Selling &amp; Distribution Expenses</b>				
Bank Comission & Charges	311.82		405.71	
Electrical Charges	105.56		83.83	
Telephone, Internet and Fax Charges	82.75		123.63	
Local Travelling and Conveyance	87.51		99.43	
Legal & Professional fees	280.63		479.64	
Audit Fees	14.27		13.08	
Printing & Stationery	69.66		71.41	
Repairs & Maintenance (Other)	132.83		281.57	
Repairs & Maintenance (Building)	36.50		127.19	
Repairs & Maintenance (Plant & Machinery)	146.53		107.57	
Repairs & Maintenance (Windmill)	261.22		194.57	
Postage and Courier	82.28		89.40	
Bad Debts (Net of Recovery)	65.76		355.24	
Provision for Doubtful Debts	(58.12)		58.12	
Rates & Taxes	0.95		29.89	
Motor Car Expenses	76.18		70.89	
Insurance Premium	180.81		268.12	
Rent & Compensation	265.38		319.10	
Donation	37.23		20.00	
CSR Expenditure	96.65		60.19	
Office Canteen Expenses	79.26		84.01	
Office Expenses	92.27		76.72	
Director's Sitting Fees	1.03		1.21	
Sundry Expenses	140.27		68.68	
Security Charges	83.19		85.86	
Registration & Filing Charges	2.53		1.59	
Membership and Subscription	35.22		25.12	
Preliminary exp written off	0.06		0.08	
Advertisement	24.12		52.07	
Sales Expenses	430.21		223.03	
Entertainment Expenses	6.12		84.35	
Foreign Travelling	318.43		337.19	
Commission on Sales	415.23		389.01	
Re-Assortment Charges	25.89		23.73	
Freight & Clearing Charges	332.32		286.50	
Agency Charges	24.03		30.74	
E.C.G.C. Premium	175.97		167.62	
Diamond Grading Charges	1,099.53		1,130.01	
Packing Expenses	67.64		68.80	
		5,629.72		6,394.90
<b>Total</b>		<b>31,655.50</b>		<b>30,696.10</b>

30. EXCEPTIONAL ITEMS

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Net gain/(loss) on sale of Assets	(347.08)	(503.47)
<b>Total</b>	<b>(347.08)</b>	<b>(503.47)</b>

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	436.61
Employers Contribution to Employees State Insurance Scheme	126.91
Employers Contribution to Labour Welfare Fund	0.59

b) Defined Benefit Plan

Defined benefits plan as per actuarial valuation as on 31st March, 2019 and recognized in the financial statement in respect of Employee Benefits Scheme:

(Rs. in Lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
<b>I) Assumptions</b>	(%)
a) Expected Return on Plan Assets	7.79 %
b) Rate of Discounting	7.79 %
c) Rate of Salary Increase	5.00 %
d) Rate of Employee Turnover	2.00 %
<b>II) Change in Present value of Projected Benefit Obligation</b>	
a) Present value of benefit obligation at beginning of the year	1,356.59
b) Current Service Cost	129.86
c) Interest Cost	105.72
d) Benefit Paid from the fund / directly by employer	(206.41)
e) Actuarial (gain)/loss on obligation	13.04
f) Present value of obligation as at end of the year	1,398.60
<b>III) Change in fair value of Plan Assets</b>	
a) Fair value of the Plan Assets at the beginning of the year	528.95
b) Interest Income	41.52
c) Contributions by the Employer	29.77
d) Benefit Paid from the fund	(86.02)
e) Return on Plan Assets, Excluding Interest Income	(3.19)
f) Fair value of Plan Assets at the end of the year	511.03
<b>IV) Amount Recognized in the Balance Sheet</b>	
a) Present value of benefit obligation at the end of the year	1,398.60
b) Fair Value of Plan Assets at the end of the year	511.03
c) Funded Status (Surplus/ (Deficit))	(887.57)
d) Net (Liability)/Asset Recognized in the Balance Sheet	(887.57)
<b>V) Expenses Recognized in the Statement of Profit &amp; Loss</b>	
a) Net Interest Cost	64.20
b) Current Service Cost	129.86
c) Expenses recognized in Profit & Loss Statement	194.06

(Rs. in Lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
<b>VI) Expenses Recognized in the Other Comprehensive Income (OCI) for Current period</b>	
a) Actuarial (Gains)/Losses on Obligation for the Period	(13.04)
b) Return on Plan Assets, excluding Interest Income	3.19
c) Net (Income)/Expense for the Period Recognized in OCI	(16.24)
<b>VII) Sensivity Analysis</b>	
Projected Benefit Obligation on Current Assumptions	1,398.60
Delta effect of +1% change in rate of Discounting	(123.00)
Delta effect of -1% change in rate of Discounting	143.50
Delta effect of +1% change in rate of Salary Increase	125.28
Delta effect of -1% change in rate of Salary Increase	(110.54)
Delta effect of +1% change in rate of Employee Turnover	45.66
Delta effect of -1% change in rate of Employee Turnover	(51.41)

### 32. 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. 291 lacs, including Rs. 50.83 lacs dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on March 31, 2019. 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	2018-2019	2017-2018
Current tax	1,956.91	2,109.12
Deferred tax	149.62	(362.97)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>2,106.53</b>	<b>1,746.15</b>

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

(Rs. in Lacs)

PARTICULARS	2018-2019	2017-2018
Profit before exceptional items & tax	14,036.67	13,168.36
Applicable tax rate	34.94%	34.61%
Computed Tax Expense	4,904.41	4,557.57
<b>Tax effect of:</b>		
Exempted income	(130.78)	(170.42)
Expenses disallowed	612.93	654.34
Additional allowances	(578.10)	(565.43)
Others	(74.87)	20.25
Non taxable subsidiaries and effect of differential tax rate under various jurisdiction	(2,776.68)	(2,387.19)
<b>Current Tax Provision (A)</b>	<b>1,956.91</b>	<b>2,109.12</b>
Decremental Deferred tax Liability on account of Tangible Assets	157.83	(351.98)
(Incremental)/ Decremental Deferred tax Liability on account of other items	(8.21)	(10.99)
<b>Deferred Tax Provision (B)</b>	<b>149.62</b>	<b>(362.97)</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>2,106.53</b>	<b>1,746.15</b>
Effective Tax Rate	15.01 %	13.26 %

### 34. RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019:

(I) List of Related Parties and Relationships:

<b>(A) Particulars of Enterprises controlled by the Company</b>	
<b>Name of Related Party</b>	<b>Relationship</b>
Asian Star Company Ltd. - (U.S.A.)	Wholly owned Subsidiary
Asian Star DMCC	Wholly owned Subsidiary
Asian Star Trading (Hong Kong) Ltd.	Wholly owned Subsidiary
<b>(B) Particulars of Key Management Personnel</b>	
<b>Name of Related Party</b>	<b>Relationship</b>
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
<b>(C) Particulars of Enterprises Under Common control of the Key Management Personnel</b>	
Jewel Art	
Asian Star Diamonds International Pvt. Ltd.	
Shah Manufacturers	
Rahil Agencies	
A'Star Exports	
<b>(D) Particulars of Relatives of Key Management Personnel where there are transactions</b>	
Himanshu A. Shah	
Sujata V. 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	2018-19		2017-18	
		Volume	Amount Outstanding as on 31.03.2019	Volume	Amount Outstanding as on 31.03.2018
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	13,323.34	3,761.22	15,168.44	4,399.88
	Jewel Art (Unit-II)	611.71	246.49	104.49	-
	Gemasia B.V.B.A.	4,325.26	2,118.70	4,421.81	2,574.25
Sale of Rough Diamonds	A. M. Exports	79.76	-	-	-
	Gemasia B.V.B.A.	299.91	-	193.33	-
Purchase of Rough Diamonds	Asian Star DMCC	15,781.06	1,457.59	6,433.94	5,861.75
	Gemasia B.V.B.A.	1,726.86	55.96	1,045.34	-
Purchase of Polished Diamonds	A. M. Exports	3,153.12	222.53	3,858.20	841.92
Dividend Received	Asian Star DMCC	248.26	-	248.02	-
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	-	178.75	-	178.75
	Asian Star Trading (Hong Kong) Ltd.	-	103.58	-	103.58
	Asian Star DMCC	-	62.23	-	62.23
Corporate Guarantee given	Asian Star Trading (Hong Kong) Ltd.	-	16,601.11	2,629.88	15,597.60
	Asian Star DMCC	(7,028.35)	6,917.13	6,514.14	12,998.00
Corporate Guarantee Commission Received	Asian Star Trading (Hong Kong) Ltd.	82.51	-	75.03	-
	Asian Star DMCC	59.26	-	62.32	-
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	-	-	47.50	-
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	3,362.00	6,328.00	1,100.00	2,856.00
	Arvind T. Shah	574.37	737.17	(70.00)	162.80
	Dharmesh D. Shah	(20.70)	922.30	(135.00)	943.00
	Vipul P. Shah	347.07	5,106.57	1,676.00	4,647.00
	Priyanshu A. Shah	323.89	720.89	(27.00)	397.00
Interest Paid on Director's Loan	Dinesh T. Shah	110.00	-	-	-
	Vipul P. Shah	112.50	-	-	-
Contract for Processing of Diamonds	Shah Manufacturers	16,721.19	837.79	9,426.29	1,198.03
Sale of Jewellery / Sale of Services	Rahil V Shah	8.58	-	0.77	0.77
	Sujata V Shah	7.36	-	0.94	-
	Himanshu A. Shah	69.21	-	-	-
	Asian Star Co. Ltd. - (U.S.A.)	18.32	2.67	-	-
Purchase of Gold and Silver	Asian Star Co. Ltd. - (U.S.A.)	11.83	-	-	-
Sale of Machinery	Shah Manufacturers	-	-	270.01	-
	Jewel Art	3.40	-	274.42	-
Purchase of Assets	Jewel Art	-	-	291.84	291.84
	A'Star Exports	-	-	9.01	-

Note: Sale includes GST.

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.

The Company has invested in Joint venture, Ratnanjali Infra 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 01-04-2018	2,224.06
Addition during the year	219.20
Share of Profit / (loss) (to the extent of Company's share in the joint venture)	3.93
<b>Balance as on 31-03-2019</b>	<b>2,447.19</b>

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. 125.23 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 (i) above	96.65	-	96.65
	<b>Total</b>	<b>96.65</b>	<b>-</b>	<b>96.65</b>

37. a) The Company has disputed service tax liability of Rs. 8.04 crores (For F.Y. 2017-18 it was Rs. 4.46 crores). In respect of the demand raised by Service Tax Department, the Company has filed appeal in the Customs Excise and Service Tax Appellate (CESTAT) against the order.

b) The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2017-18 it was Rs. 3.32 crores) in respect of Customs duty raised by Commissioner of Customs.

The Company is of the opinion that these demand are not tenable and has made appropriate submissions/appeal to the departments. The Company has received stay order form Gujarat High Court against the demand of Custom Duty. These demands 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:

(Rs. in Lacs)

SR. NO.	PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
1	Principal amount due and remaining unpaid	606.62	372.12
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	-	-

### 39. EARNING PER SHARE

PARTICULARS	2018-2019	2017-2018
Profit After Tax (Rs. in lacs)	11,492.57	10,913.36
Number Of Equity Shares	160,06,800	160,06,800
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share (Basic) (Rs.)	71.80	68.18

### 40. FINANCIAL INSTRUMENTS DISCLOSURE

#### FINANCIAL ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>NON-CURRENT</b>		
Investments – At cost (refer note 2)		
Unquoted, fully paid up In Equity Shares of Companies At Fair Value through Profit and loss		
Indian Commodity Exchange Ltd.	2,010.00	1,675.00
Utkarsh Coreinvest Ltd.	117.00	117.00
<b>Other Investments</b>		
Rantnanjali Infra LLP (Partnership Firm)	2,447.19	2,224.06
<b>Aggregate fair value of unquoted investments</b>	<b>4,574.19</b>	<b>4,016.06</b>
<b>Aggregate book value of unquoted investments</b>	<b>4,239.19</b>	<b>4,016.06</b>
Gain / (Loss) on fair value recognised in P&L	335.00	-
Gain / (Loss) on fair value recognised in Retained earnings	-	-
Other Financial Assets (refer note 3)	90.73	116.67
<b>CURRENT</b>		
i) Investments (refer note 7)		
At Fair Value through Profit and loss		
a. Unquoted, fully paid up In bonds At Fair Value through Profit and loss		
Sovereign Gold Bond Scheme	23.31	23.31
<b>Aggregate fair value</b>	<b>23.31</b>	<b>23.31</b>
<b>Aggregate book value</b>	<b>23.31</b>	<b>23.31</b>
Gain / (Loss) on fair value recognised in P&L	-	-
b. Quoted, fully paid up In Equity & Mutual fund At Fair Value through Profit and loss		
Classic Diamonds (India) Ltd.	-	0.01
Shrenuj & Co Ltd.	-	0.02
Windsome Diamonds & Jewellery Ltd.	0.01	0.01
Titan Company Limited	277.38	-
Reliance Communications Ltd	4.14	-
Aarti Industries Ltd	154.65	130.04
Aegis Logistics Ltd	100.61	149.88
APL Apollo Tubes Ltd	63.92	104.12
Asian Oilfield Serve Ltd	-	35.18
Astec Lifescience Ltd	-	71.17
Dalmia Bharat Ltd	-	75.88
Exide Industries Ltd	57.80	69.03
HDFC Bank Ltd	187.10	176.36
Indian Energy Exchange Ltd	52.00	58.66
La Opala RG Ltd	49.28	-
J.K.Tyre & Industries	-	64.67
KEI Industries Ltd	67.14	71.38
Maruti Suzuki Ltd	110.62	170.84
Navin Fluorine Intl Ltd	72.54	92.51
Odisha Cement Ltd	53.57	-
Quess Corp Ltd	47.53	7.29
Radio City Ltd	-	62.37
Shilpa Medicate Ltd	37.22	60.65
Voltas Ltd	50.52	56.35

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Axis Bank Ltd	48.12	-
Bajaj Auto Ltd	46.44	-
Bajaj Finance Ltd	69.60	10.03
Bandhan Bank	27.30	-
Ashok Leyland Ltd	-	58.16
BASF India Ltd	-	62.33
Escorts Ltd	-	32.72
INFO Edge (India) Ltd	73.71	47.55
Infosys Ltd	44.54	-
L & T Finance Holdings Ltd	-	47.15
Piramal Enterprises Ltd	-	63.68
Tata Elexi Ltd	44.04	43.83
Ujjivan Fin Serv Ltd	-	51.84
United Spirits Ltd	55.30	62.52
Varun Beverages Ltd	84.36	55.57
Asian Paints Ltd	-	3.35
Bajaj Finserv Ltd	8.86	8.95
Berger Paints India Ltd	6.60	-
Britania Industries Ltd	5.98	4.13
Dabur India Ltd	3.66	-
Eicher Motors Ltd	5.96	3.40
Gruh Finance Ltd	3.96	4.50
HDFC Life Ins Co Ltd	2.72	1.66
Hind Petro Corp Ltd	-	7.07
Indusind Bank	4.58	4.61
Kaveri Seed Co Ltd	2.22	2.56
Motherson Sumi Ltd	-	8.23
MRF Ltd	-	4.34
NBCC India Ltd	-	2.82
P I Industries Ltd	2.81	3.68
Page Industries Ltd	6.97	-
Petronet LNG Ltd	3.55	2.74
Reliance Industries Ltd	4.06	-
Ramco Cements Ltd	-	2.60
Supreme Industries Ltd	3.70	3.77
Astral Poly Technik Ltd	2.54	-
AIA Engineering Ltd	2.51	1.31
Balkrishna Industries Ltd	2.73	4.25
Cholamandalam Inv & Fin Co Ltd	2.92	-
Greenlam Industries Ltd	2.51	3.59
Gujarat Gas Ltd	-	4.35
Havells India Ltd	1.33	3.48
JK Paper Ltd	-	2.58
Kajaria Ceramics Ltd	6.55	3.90
MAS Fin Serv Ltd	2.55	3.50
Minda Industries Ltd	-	4.00
Nestle India Ltd	1.54	-
Nilkamal Ltd	-	2.88
Pidilite Ind Ltd	3.19	-
PNB Housing Fin Ltd	2.17	-
Relaxo Footware Ltd	2.59	4.44
Siyaram Silk Mills Ltd	2.42	3.00
Solar Industries Ltd	2.45	-
Tasty Bite Eatables Ltd	1.34	0.67
Sundaram Finance Ltd	-	3.45
Sundaram Finance Holdings Ltd	-	0.64

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Symphony Ltd	-	2.02
Timken India Ltd	-	3.52
Vardhaman Textiles Ltd	-	3.93
Alkem Lab Ltd	3.52	4.00
Au Small Fin Bank	4.97	5.85
Bayer Cropscience Ltd	1.59	1.52
Birla Corporation Ltd	4.36	5.95
Birla Corporation Ltd	3.48	3.88
Canfin Homes Ltd	3.51	4.83
Development Credit Bank Ltd	9.22	7.52
Dhanuka Agritech Ltd	1.30	1.84
Dishman Carbogen Amcis Ltd	2.64	3.37
Dr Lal Path Ltd	3.32	2.79
Gabriel India Ltd	3.91	3.71
Glaxo Smithkline Consumer Healthcare	1.16	0.73
IIFL Holdings Ltd	1.51	2.51
ITD Cement India Ltd	2.23	2.67
Laxmi Vilas Bank Ltd	2.14	2.97
Mahanagar Gas Ltd	4.69	4.42
Suprajit Engg Ltd	1.57	1.78
TTK Prestige Ltd	5.85	4.13
V-Mart Retail Ltd	0.97	-
VIP Industries Ltd	1.15	-
Reliance Liquid Fund -Div Reinvestment	237.14	1.06
Reliance Liquid Fund Direct-Growth	41.22	23.63
HDFC Small Cap Fund Direct Growth Plan	74.10	72.31
Kotak Select Focus Fund Direct Plan Growth	81.41	72.25
Motilal Oswal Most Focused Multicap 35 Fund	98.41	98.70
<b>Aggregate fair value of quoted investments</b>	<b>2,580.48</b>	<b>2,448.14</b>
<b>Aggregate book value of quoted investments</b>	<b>2,643.77</b>	<b>2,323.18</b>
Gain / (Loss) on fair value recognised in P&L	(63.28)	124.96
<b>ii) Trade Receivables - At amortised cost</b>	<b>76,539.16</b>	<b>92,485.42</b>
<b>iii) Cash and Cash Equivalents (refer note 9)</b>		
Balances with Banks	14,830.81	23,142.63
Fixed Deposits with Banks	7,116.00	6,897.73
Cash on hand	34.41	32.10
<b>iv) Other Bank Balances (refer note 10)</b>	<b>9,242.35</b>	<b>10,412.11</b>
<b>v) Loans &amp; Advances (refer note 11)</b>		
Loans (Unsecured considered good unless otherwise stated) (refer note 11)		
At Amortised Cost		
Unsecured, considered good - At Amortised cost	5,447.09	6,106.48
<b>v) Other Financial Assets (refer note 12)</b>		
Others	8.86	7.07
Derivatives - Foreign Exchange Contracts -At FVTPL	-	244.39
<b>Total Financial Assets</b>	<b>1,20,487.39</b>	<b>1,45,932.11</b>

FINANCIAL LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>NON-CURRENT</b>		
<b>Borrowings (refer note 15)</b>		
At Amortised cost		
Loans from related parties - Directors	4,947.50	2,253.86
Loan from Others	217.08	6.65
<b>CURRENT</b>		
<b>i) Borrowings (refer note 19)</b>		
At Amortised cost		
Secured working Capital Loan from Banks	54,999.34	69,996.01
Loans from related parties – Directors & Others	8,867.43	12,179.87
<b>ii) Trade Payables (refer note 20)</b>		
At Amortised Cost		
Creditors for Goods	17,321.36	21,185.96
Creditors for Processing	2,806.31	1,715.48
<b>iii) Other Financial Liabilities- At FVTPL (refer note 21)</b>		
Derivatives Foreign Exchange contracts	34.30	337.98
<b>Total Financial Liabilities</b>	<b>89,193.32</b>	<b>107,675.81</b>

FINANCIAL INSTRUMENTS BY CATEGORY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2019			AS AT MARCH 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>FINANCIAL ASSETS</b>						
<b>Non-Current</b>						
Investments	4,574.19	-	-	4,016.06	-	-
Other Financial Assets	-	-	90.73	-	-	116.67
<b>Current</b>						
Investments	2,603.79	-	-	2,471.45	-	-
Trade Receivables	-	-	76,539.16	-	-	92,485.42
Cash and Cash Equivalents	21,981.22	-	-	30,072.46	-	-
Other Bank balances	9,242.35	-	-	10,412.11	-	-
Loans & Advances	-	-	5,447.09	-	-	6,106.48
Other Financial Assets	-	-	8.86	-	-	7.07
Derivatives	-	-	-	244.39	-	-
Foreign Exchange Contracts	-	-	-	-	-	-
<b>FINANCIAL LIABILITIES</b>						
<b>Non-Current</b>						
Borrowings	-	-	5,164.58	-	-	2,260.51
<b>Current</b>						
Borrowings	-	-	63,866.77	-	-	82,175.88
Trade Payables	-	-	20,127.67	-	-	22,901.44
Derivatives -	34.30	-	-	337.98	-	-
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 and financial institutions. 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 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 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 carrying amount & 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)
<b>Assets measured at fair value (Note No. 2,7,9,10,12)</b>					
Investments					
Non-Current	31.03.19	4,574.19	-	4,574.19	-
Current	31.03.19	2,603.79	2,603.79	-	-
Cash and Cash Equivalents	31.03.19	21,981.22	-	-	-
Other Bank Balances	31.03.19	9,242.35	-	-	-
Derivatives - Foreign Exchange Contracts	31.03.19	-	-	-	-
<b>Assets for which fair values are disclosed (Note No. 3,8,11)</b>					
Loans & Advances (current)	31.03.19	5,447.09	-	5,447.09	-
Other Financial Assets					
Current	31.03.19	8.86	-	8.86	-
Non-Current	31.03.19	90.73	-	90.73	-
Trade Receivables	31.03.19	76,539.16	-	76,539.16	-
<b>Liabilities measured at fair value (Note No. 21)</b>					
Derivatives - Foreign Exchange Contracts	31.03.19	34.30	34.30	-	-
<b>Liabilities for which fair values are disclosed (Note No. 15,19,20)</b>					
Borrowings					
Non-Current	31.03.19	5,164.58	-	5,164.58	-
Current	31.03.19	63,866.77	-	63,866.77	-
Trade Payables	31.03.19	20,127.67	-	20,127.67	-



(Rs. in Lacs)

PARTICULARS			Fair Value measurement using		
	Date of Valuation	Total	Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
<b>Assets measured at fair value (Note No. 2,7,9,10,12)</b>					
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	30,072.46	-	-	-
Other Bank Balances	31.03.18	10,412.11	-	-	-
Derivatives - Foreign Exchange Contracts	31.03.18	244.39	244.39	-	-
<b>Assets for which fair values are disclosed (Note No. 3,8,11)</b>					
Loans & Advances (current)	31.03.18	6,106.48	-	6,106.48	-
Other Financial Assets					
Current	31.03.18	7.07	-	7.07	-
Non-Current	31.03.18	116.67	-	116.67	-
Trade Receivables	31.03.18	92,485.42	-	92,485.42	-
<b>Liabilities measured at fair value (Note No. 21)</b>					
Derivatives - Foreign Exchange Contracts	31.03.18	337.98	337.98	-	-
<b>Liabilities for which fair values are disclosed (Note No. 15,19,20)</b>					
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	22,901.44	-	22,901.44	-

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 31/3/2019 and 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 2019. Of the total trade receivables, Rs. 66,156 lacs as at March 31, 2019 and Rs. 78,692 lacs as at March 31, 2018 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. 40 lacs as at March 31, 2019 and Rs. 33 lacs as at March 31, 2018 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, 2019	AS AT MARCH 31, 2018
1-90	6,837	10,642
91-180	2,097	2,331
More than 180	1,449	820
<b>Total</b>	<b>10,383</b>	<b>13,793</b>

### 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 31.03.2019:

(Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	16,436	40,096	7,334	5,165
Interest on Borrowings	23	-	-	-
Trade payables	5,343	12,746	2,039	-
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts – Financial Assets	-	-	-	-
Net settled derivative contracts – Financial Liabilities	11	-	-	23

### 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
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	16,557	54,855	10,764	2,261
Interest on Borrowings	30	-	-	-
Trade payables	13,752	8,553	594	2
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts – Financial Assets	192	36	16	-
Net settled derivative contracts – Financial Liabilities	11	62	111	154

### 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 / contracts entered based on orders denominated in a currency other than the functional currency of the company
- transactional exposure that arises from the cost of goods sold / payables / contracts entered based on orders denominated in a currency other than the functional currency of the Company.
- Foreign currency exposure that arises from foreign currency 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, 2019 covers 162 Kgs and for purchase of silver covers 60 Kgs. (For F.Y. 2017-18 it was for Sale of Gold 93 Kgs and for Purchase of Silver 30 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 related to interest rate changes:

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>Variable rate borrowings</b>		
Bank Loan in Rs. lacs	244	16,450
Bank Loan in \$ million	79	82

### Interest rate risk sensitivity

This indicates the sensitivity to a reasonably possible change in interest rate borrowings:

(Rs. in Lacs)

IMPACT ON PROFIT & LOSS	31.03.2019	31.03.2018
<b>For \$ Borrowings</b>		
Increase in Interest rate - 50 basis points p.a.	(272)	(268)
Decrease in Interest rate - 50 basis points p.a.	272	268
<b>For Rs. Borrowings</b>		
Increase in Interest rate - 75 basis points p.a.	(2)	(123)
Decrease in Interest rate - 75 basis points p.a.	2	123

#### Foreign Currency risk

Exposure of all Financial Assets and Liabilities to foreign currency risk:

(\$ in million)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>Financial Assets</b>		
Trade Receivables	74	103
Cash and Cash Equivalents	1	1
<b>Financial Liabilities</b>		
Borrowings	79	82
Trade payables	26	43
Derivatives Forward contracts (net)	22	99

#### 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	31.03.2019	31.03.2018
USD-INR Increase by 1%	(356)	(785)
USD-INR decrease by 1%	356	785

#### 41. 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 31st March, 2019 and 31st March, 2018 was 39 % and 46 %, respectively.

#### 42. Collaterals

The Company has obtained working capital loan from banks which are secured as on 31.3.2019 by:

- Fixed deposits – Value Rs. 15,546 lacs
- Hypothecation of Stock in trade and Trade receivables – Value Rs. 1,30,207 lacs
- Mortgage of premises at Mumbai & Surat – Value Rs. 15,315 lacs.

#### Defaults

For loans payable recognised at the end of the reporting period, there have been no defaults.

#### 43. Net Gain/(loss) on exchange fluctuation as included in total Revenue from Operations & Purchases reflected in the profit & Loss Statement:

- Revenue from Operations – Rs. 17.80 Crores (for F.Y. 2017-18 it was Rs. 300.86 Crores).
- Purchases – Rs. 43.26 Crores (for F.Y. 2017-18 it was Rs. (93.23) Crores).

#### 44. 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	2018-2019	2017-2018
<b>1. Segment – Revenue</b>		
- Diamonds	3,25,029.10	3,56,624.51
- Jewellery	59,439.48	55,458.68
- Others	1,057.88	1,463.31
<b>Total</b>	<b>3,85,526.46</b>	<b>4,13,546.5</b>
Less: Inter Segment Revenue / Transfer	20,851.81	22,220.79
<b>Net Sales / Revenue</b>	<b>3,64,674.65</b>	<b>3,91,325.71</b>
<b>2. Segment Results</b>		
Profit/(Loss) Before Tax and Interest from each segment		
- Diamonds	13,581.13	13,147.88
- Jewellery	2,614.53	2,119.31
- Others	479.65	957.12
<b>Total</b>	<b>16,675.31</b>	<b>16,224.31</b>
Less:		
i) Finance Costs	2,638.63	3,055.92
ii) Exceptional Item Gain / (Loss)	(347.08)	(503.47)
iii) Other un – allocable expenses	-	-
<b>Total</b>	<b>2,985.75</b>	<b>3,559.39</b>
<b>Total Profit Before Tax</b>	<b>13,689.59</b>	<b>12,664.89</b>
<b>3. Capital Employed</b>		
- Diamonds	75,725.79	66,848.28
- Jewellery	18,181.26	16,085.30
- Others	13,444.41	15,447.61
<b>Total Capital Employed</b>	<b>1,07,351.46</b>	<b>98,381.19</b>

- (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.

45. Financial Information of Subsidiary Companies / Associates:

(Rs. in Lacs)

PARTICULARS	Asian Star Co. Ltd. N.Y.		Asian Star DMCC		Asian Star Trading (Hong Kong) Ltd.		Shah Manu- facturers
	Reporting Currency		USD		USD		Rs.
	USD	Rs.	USD	Rs.	USD	Rs.	
Capital	5.00	178.75	0.54	12.01	1.28	57.40	-
Other Equity	3.03	376.64	465.47	32,222.82	6.27	465.30	* 43.23
Total Assets	105.01	7,264.02	485.50	33,582.34	95.07	6,576.17	249.94
Total Liabilities	105.01	7,264.02	485.50	33,582.34	95.07	6,576.17	249.94
Investments	-	-	-	-	-	-	-
Turnover/Total Income	262.00	18,333.95	1,816.63	127,123.51	41.77	2,922.93	15,924.95
Profit Before Taxation	0.49	136.18	105.91	7,547.15	1.16	80.92	54.92
Provision for Taxation	0.12	8.72	-	-	0.02	1.25	15.66
Profit After Taxation	0.37	127.46	105.91	7,547.15	1.14	79.67	37.62
Proposed Dividend	-	-	-	-	-	-	-
Country	U.S.A		U.A.E		Hong Kong		India

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

\*\* The above Rs. figures are after adjustments on account of IndAS

46. 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.

47. During the year the company received final approval from NCLT, Mumbai for merger by absorption of Asian Star Jewels Pvt. Ltd, a wholly owned subsidiary with the company with effect from 1.4.2017. The financial statements have been regrouped / rearranged to give effect of the merger w.e.f. 1.4.2017.

48. 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 attached

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants  
FRNo: 105765W

MAHENDRA DOSHI  
Proprietor  
Membership No. 41316

Place : Mumbai  
Dated : May 22, 2019

For and on behalf of the Board

SUJATA NADGOUDA  
Company Secretary

Place : Mumbai  
Dated : May 22, 2019

DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated : May 22, 2019

VIPUL P. SHAH  
CEO & Managing Director  
DIN: 00004746

Place : Mumbai  
Dated : May 22, 2019

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

Sujata Nadgouda

Subsidiary Companies

Asian Star Company Limited  
New York, U.S.A.

Asian Star DMCC  
Dubai, U.A.E.

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

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