



## 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 22842427

### NOTICE

Notice is hereby given that Twenty-Seventh Annual General Meeting of Asian Star Company Limited will be held on Wednesday, September 22, 2021 at 3.00 p.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). The venue of the meeting shall be deemed to be the Registered Office of the Company, 114-C Mittal Court, Nariman Point, Mumbai - 400021 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors ("the Board") and Auditor's thereon.
2. To declare a dividend of Rs. 1.50 per Equity share, for the year ended March 31, 2021.
3. To consider the re-appointment of Mr. Arvind T. Shah (DIN: 00004720) as a Director of the Company, who retires by rotation and being eligible, offers himself, for re-appointment.
4. To consider the re-appointment of Mr. Priyanshu A. Shah (DIN: 00004759) as a Director of the Company, who retires by rotation and being eligible, offers himself, for re-appointment.

#### SPECIAL BUSINESS:

##### 5. Approval of Related Party Transactions

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 consent of the Audit Committee and of the Board of Directors 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 authorised 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."

**Place:** Mumbai

**Date:** May 14, 2021

**By Order of the Board**

#### Registered Office:

114-C, Mittal Court,  
Nariman Point, Mumbai - 400021.

(CIN: L36910MH1995PLC086017)

Tel: +91 22 62444111

Email: secretarial@asianstargroup.com

Website: www.asianstargroup.com

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

## NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. As the AGM shall be conducted through VC/ OAVM, the facility for appointment of Proxy by the Members is not available and hence, Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of AGM will be provided by NSDL. Kindly check Annexure 1 for instruction for attending AGM.
6. In line with the Ministry of Corporate Affairs (MCA) and SEBI Circulars, the Notice of the 27th AGM along with the Annual Report 2020-21 are being sent only by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may please note that this notice and Annual Report 2020-21 will also be available on the Company's website at <https://asianstargroup.com/notices.aspx>. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. An Explanatory Statement pursuant to Section 102(1) of the Act, relating to the Special Business under item No. 5 to be transacted at the AGM is annexed hereto in Annexure- 1 to this Notice. Further, disclosure as required under the SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India with respect to details of Directors who are proposed to be re-appointed is also enclosed.
9. Institutional Investors/Corporate members intending to authorize their representatives to participate and vote at the AGM are requested to send a certified copy of the Board resolution/authorization letter to the Company at [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com) or upload on the VC portal / e-voting portal.
10. In case of joint holders only such joint holder who is higher in the order of names will be entitled to vote during the meeting.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 22, 2021. Members seeking to inspect such documents can send an email to [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com)

12. The Record date shall be Wednesday, September 15, 2021, for determining the entitlement of Members for dividend for the year ended March 31, 2021, if declared.
13. Dividend for the year ended March 31, 2021, if declared, at the AGM, shall be paid to those Members, whose names appear:-
  - a) As beneficial owners at the end of business hours on Wednesday, September 15, 2021, as per lists furnished by Central Depository Services Limited and National Securities Depository Limited in respect of shares held in electronic form; and
  - b) On the Register of Members of the Company as on Wednesday, September 15, 2021, after giving effect to valid transfers in respect of transfer requests lodged with Bigshare Services Private Limited., Registrar and Share Transfer Agent (RTA) of the Company, on or before the close of business hours on Wednesday, September 15, 2021, in respect of shares held in physical form.
14. Members holding shares in dematerialised form are requested to intimate particulars of bank mandates, nominations, power of attorney, e-mail address, contact numbers, change of address, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate these details to the RTA.
15. In order to enable the Company to remit dividend electronically through National Automated Clearing House (NACH), National Electronic Funds Transfer (NEFT), etc., Members holding shares in physical form are requested to provide/ update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code and IFSC code (as appearing on the cheque) along with scanned copy of the cheque/cancelled cheque to [sandeep@bigshareonline.com](mailto:sandeep@bigshareonline.com). Members holding shares in dematerialised form are requested to provide the said details to their DP.
16. The Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by Company after April 1, 2020 shall be taxable in the hands of the Shareholders. The details are explained in the e-mail sent to the Shareholders.
17. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs if not submitted earlier. Members holding shares in physical form are requested to submit their PAN to the RTA if not submitted earlier.
18. Members who have not encashed their dividend warrants for the year ended March 31, 2014 or any subsequent year(s) are requested to lodge their claims with the RTA at the earliest.
19. Amounts of dividend remaining unclaimed/ unpaid for a period of seven years are required to be transferred to the 'Investor Education and Protection Fund'. Accordingly, unpaid dividend up to the year ended March 31, 2013, has already been transferred to the said Fund.
20. Register of Directors and Key Managerial Personnel and their shareholdings and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Act, respectively will be available electronically for inspection by the Members.
21. Pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, Notice of the AGM along with the Explanatory Statement and Integrated Report for the year ended March 31, 2021 are being sent electronically to those Members whose e-mail addresses are registered with the DP/RTA and the same are also available on the website of the Company [www.asianstargroup.com](http://www.asianstargroup.com) and on the website of BSE Limited.
22. Company has provided Members, e-voting facility to exercise their right to vote at the AGM by electronic means. The process and manner for availing the said facility is explained in the Notice which is sent to the Members.
23. Members holding shares in physical form in single name are advised to avail of nomination facility. As per the provisions of Section 72 of the Act, the facility for making nomination is available for Members in respect of shares held by them. Members, who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. Nomination form can be downloaded from the website of the Company [www.asianstargroup.com](http://www.asianstargroup.com) or obtained from the RTA. Members are requested to submit the said details to their DP in case shares are held in electronic form and to the RTA in case shares are held in physical form.
24. Members are requested to:-
  - a) Quote DP ID and Client ID/Ledger Folio numbers in all their correspondence;
  - b) Approach the RTA for consolidation of multiple ledger folios into one; and
  - c) To avoid inconvenience, get shares transferred in joint names, if they are held in a single name and/or appoint a nominee.

25.NRI Members are requested to inform the RTA immediately of:-

- a) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and
- b) Change in their residential status and address in India on their return to India for permanent settlement.

26.Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their communications to [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com) at least seven days before the date of the meeting. The same will be suitably replied to by the Company.

27.As shares of the Company are traded under compulsory demat, Members are requested to dematerialise their shareholding to avoid inconvenience.

28.Members are requested to address all correspondence, including dividend related matters, to the RTA or the Company.

29.The members / investors may send their complaints/ queries, if any to the Company's RTA at [jibu@bigsharesonline.com](mailto:jibu@bigsharesonline.com) or to the Company at [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com).

**ANNEXURE 1: STATEMENT PURSUANT TO SECTION 102(1) 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, Jewellery & other Materials / Assets	Credit period: 0-180 days	25.00
3.	Gemasia B.V. (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. (Relative of Director)	Purchase of diamonds	Credit period: 0-180 days	50.00
6.	A.M. Exports (Relative of Director)	Purchase of diamonds	Credit period: 0-180 days	50.00
7.	Mihir Kothari (Relative of Director)	Sale of diamonds	Credit period: 0-30 days	15.00
8.	Mihir Kothari (Relative of Director)	Purchase of diamonds	Credit period: 0-180 days	15.00
9.	Directors	Rent Paid to Directors	Credit period: 0-30 days	00.05
10.	Directors	Loan from Directors	Credit period: 0-30 days	100.00
11.	Directors	Interest on Loan from Directors	Credit period: 0-30 days	05.00
12.	Directors / Relative of Directors	Sale / purchase to / from of jewellery / services	Credit period: 0-30 days	05.00
13.	Jewel Art (Unit II) (Enterprise under Common Control of Key Managerial Person)	Purchase of diamonds, Jewellery & other Materials / Assets	Credit period: 0-180 days	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.

**Place:** Mumbai  
**Date:** May 14, 2021

**By Order of the Board**

**Registered Office:**

114-C, Mittal Court,  
Nariman Point, Mumbai - 400021.  
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Website: [www.asianstargroup.com](http://www.asianstargroup.com)

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

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India, the following information is furnished about the Directors proposed to be re-appointed.

Name of Director	Mr. Arvind T. Shah	Mr. Priyanshu A. Shah
Particulars		
Age	74	40
Nationality	INDIAN	INDIAN
Date of Appointment	07/03/1995	01/11/2004
Qualification	B. Tech	B.Com, A Certified Gemologist from G.I.A., New York
Expertise in specific functional areas	Rough Manufacturing, Factory/Job Work Supervision	Jewellery Operations
Shares held in the Company	15,84,450	12,15,450
DIN	00004720	00004759
Date of Birth	March 27, 1947	May 14, 1981
Date of first appointment on the Board	March 7, 1995	November 1, 2004
Terms & conditions of re-appointment/variation of remuneration	N. A.	N. A.
Remuneration last drawn	NIL*	Rs. 1,00,00,000/-**
Directorship held in other Companies	<ul style="list-style-type: none"> <li>• Asian Star Diamonds International Private Limited</li> <li>• Paresh K Mehta Investment Private Limited</li> <li>• Samruddha Gram Vikas Foundation</li> <li>• Asian Star Infotech Private Limited.</li> </ul>	<ul style="list-style-type: none"> <li>• Asian Star Infotech Private Limited.</li> </ul>
Chairman/Member of the Mandatory Committees of the Board	<ul style="list-style-type: none"> <li>• Asian Star Company Limited</li> <li>• Member of Audit Committee</li> <li>• Member of Stakeholder Relationship Committee.</li> <li>• Chairman of Corporate Social Responsibility Committee.</li> </ul>	NIL
Inter-se relationship with other directors/ Key Managerial Personnel	Promoter of the Company	Related to promoter group
No. of Board meetings attended during the year	2 (Two)	3 (Three)
Brief Profile	Mr. Arvind T. Shah – Whole Time Director of Asian Star Company Limited is responsible mainly for the diamond processing activities at all the facilities, and overall administration. He is well - versed with all the requisite quality norms and systems related to diamond manufacturing.	Mr. Priyanshu A. Shah, Non Executive Non Independent Director of Asian Star Company Limited, heads the thriving jewellery operations of the Company. He successfully straddles the production and marketing functions for both, international as well. His vast knowledge of global jewellery trends has resulted in the launch of several successful collections and business initiatives.

\* In view of the severe Pandemic situation due to COVID-19 and resulting lockdown in the entire country during the financial year 2020-21 affecting the business and profitability, Mr. Arvind T. Shah, Wholetime Director of the Company, had voluntarily foregone his remuneration for the entire Financial Year of 2020-21.

\*\* Mr. Priyanshu A. Shah has been re-designated from Whole time Director to Non-Executive Director Non Independent Director of the Company w.e.f 1st April, 2021. He will not be drawing any remuneration as a non executive Director w.e.f 1st April, 2021.

**Place:** Mumbai  
**Date:** May 14, 2021

**By Order of the Board**

**Registered Office:**

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Website: [www.asianstargroup.com](http://www.asianstargroup.com)

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



## ANNEXURE 2

### INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com). The same will be replied by the company suitably.

### INSTRUCTIONS FOR REMOTE E-VOTING:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), read with General Circular numbers 14/2020 dated 8th April, 2020, 17/2020 dated 13th April 2020 and 20/2020 dated 5th May, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020 and circular 02/2021 dated January 13, 2021 read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) dated 12th May, 2020 issued by the Ministry of Corporate Affairs (MCA) Secretarial Standard on General Meetings (SS-2) issued by Institute of Company Secretaries of India, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL. 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 REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on Sunday, September 19, 2021 at 09:00 A.M. and ends on Tuesday, September 21, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 15, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

#### How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**




**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**i. Step 1: Log-in to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to yddcsecretarial@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request Mrs. Soni Singh, Assistant Manager or Mr. Anubhav Saxena, Assistant Manager at evoting@nsdl.co.in

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Secretarial @asianstargroup.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Secretarial @asianstargroup.com.. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

6. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
7. Members are encouraged to join the Meeting through Laptops for better experience.
8. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
9. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
10. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com) . The same will be replied by the company suitably.
11. Instructions for Shareholders/Members to Speak during the AGM
  - a) Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com), at least 48 hours prior to the date of AGM i.e. on or before 03.00 p.m. (IST) on Monday, September 20, 2021.
  - b) Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
  - c) Shareholders who would like to ask questions, shall send the same in advance mentioning their name, demat account number / folio number, e-mail, mobile number at [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com), at least 48 hours prior to the date of AGM i.e. on or before 3.00 p.m. (IST) on Monday, September 20, 2021. The same will be replied by the Company suitably.
  - d) Shareholders will get confirmation on first come first served basis depending upon the provision made by the Company.
  - e) Shareholders will receive 'speaking serial number' once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.
  - f) Please remember 'speaking serial number' and start your conversation with panelist by switching on audio of your device.
  - g) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**Place:** Mumbai  
**Date:** May 14, 2021

**By Order of the Board**

**Registered Office:**

114-C, Mittal Court,  
Nariman Point, Mumbai - 400021.  
(CIN: L36910MH1995PLC086017)  
Tel: +91 22 62444111  
Email: [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com)  
Website: [www.asianstargroup.com](http://www.asianstargroup.com)

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

# EVERY MILESTONE IS A STEPPING STONE





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2021 marks a memorable and a momentous milestone in the AsianStar journey.

Little did we know 50 years ago how the journey would unfold, who our companions would be, and what challenges would we face.

This journey has been as interesting as it has been intriguing. We have navigated many storms in our quest to reach new shores. We have explored new paths in our pursuit to pioneer new destinations. We have forged solid relationships in our endeavour to build strong foundations.

At this significant milestone, we celebrate the past. At this significant milestone, we also envision the future.

We look back with pride at our achievements, strengths and values.

We look ahead with purpose at our opportunities, potential and promise.

Because, at Asian Star, we believe that



EVERY  
MILESTONE  
IS A  
STEPPING STONE



*When we look back at this exciting journey of 50 years, we are both proud of and humbled by the singularly unique milestones that illustrate the roadmap of our progress, performance and potential.*

*Each of the distinct milestones is a strong pillar of a solid foundation.*

*Each of the distinct milestones is a stepping stone to the promising opportunities.*

*Each milestone is a stepping stone that will provide a platform and a springboard for our future growth and expansion, as we accelerate on this journey with a single-minded focus.*



## WELL-ESTABLISHED AND SCALABLE MANUFACTURING

At Asian Star, one of the key differentiators and strengths that we have built over the last 50 years is our well-established and scalable manufacturing. Today, our manufacturing strength is not just a milestone for us, but it is a benchmark for the industry. It is the single-most important achievement that drives both our competitive and comparative advantage.

Our state-of-the-art diamond manufacturing at Surat and jewellery manufacturing at Mumbai and Hosur has integrated the best of people and processes, expertise and equipment, and systems and certifications.

From trend-setting innovation to high-level quality adherence to handling large volumes, our manufacturing strength is indeed a milestone that will be the stepping stone to future growth and expansion.

## ROBUST GLOBAL NETWORK FOR MARKETING AND DISTRIBUTION

During the past five decades, the Asian Star journey has seen us expand our marketing footprint across the world. We have forged key alliances and long-term partnerships with major retailers and distributors in the US, Europe, Far East, Middle East, South America, South Africa and Australia.

What has sustained and endured our marketing and distribution strength is our approach. We work cohesively and collaboratively in a true spirit of partnership with our customers to create a distinct value proposition. Our geographic footprint covers all the key diamond markets, giving us a wide-spread, de-risked and resilient edge.

Our robust and resilient global network for marketing and distribution is a milestone that will be the stepping stone to strengthening connections as we expand to new markets and new customers.

## INFALLIBLE PIPELINE INTEGRITY

Sourcing of rough is one of the most critical aspects in our business. Over these 50 years, Asian Star has built an infallible pipeline integrity that is amongst the best in the industry. From the first-point of responsible sourcing from top mining companies to strict adherence to Kimberley Process which ensures conflict-free natural diamonds, our pipeline integrity continues with strong internal systems for quality checks and audits at every stage of manufacturing and distribution to third-party audits by accredited bodies.

The lasting trust created by this infallible pipeline integrity is a milestone that will be the stepping stone as we endeavour to become partners of choice to more mining companies and international retailers in the world.

## FAST-GROWING JEWELLERY OPERATIONS

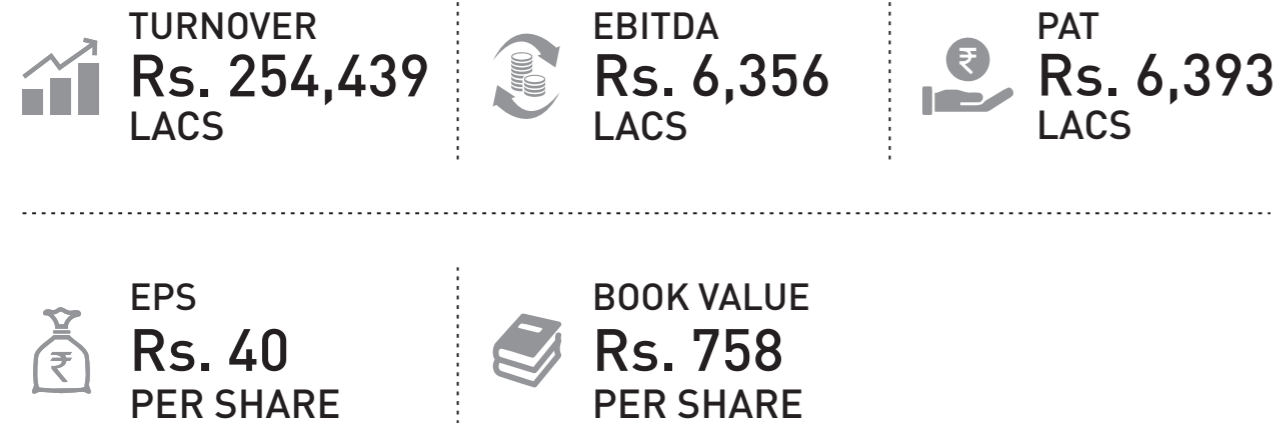
Diamond jewellery is one of the fastest growing segments in the industry. Our superior capabilities in diamond jewellery operations ensure seamless integration - from designing to distribution. Few jewellery businesses have the added advantage of in-house diamond supply that gains us the guarantee of quality, timely delivery and best prices.

Our jewellery business has seen a remarkable growth over the last few years, underpinned with our value-added and differentiated offering. This has given us a tangible advantage in the form of better margins, stronger brand equity and higher customer retention.

Our jewellery business is a milestone that will be a stepping stone to expanding and adding value to our group business by way of accelerated growth and access to top jewellery brands and retail chains.

# 2020-21 AT A GLANCE

## CONSOLIDATED FINANCIAL HIGHLIGHTS



## CONSOLIDATED SEGMENT WISE REVENUE



	2020-21	2019-20	2018-19
<b>TURNOVER</b>	254,439	305,294	364,219
- DIAMONDS	200,598	239,448	304,177
- JEWELLERY	53,392	65,332	59,439
- POWER	449	514	603
<b>EBITDA</b>	6,356	11,714	17,941
<b>PAT</b>	6,393	6,340	11,493
<b>EPS (IN Rs.)</b>	40	40	72
<b>BOOK VALUE (IN Rs.)</b>	758	728	672

(Rs. IN LACS)

## OTHER HIGHLIGHTS

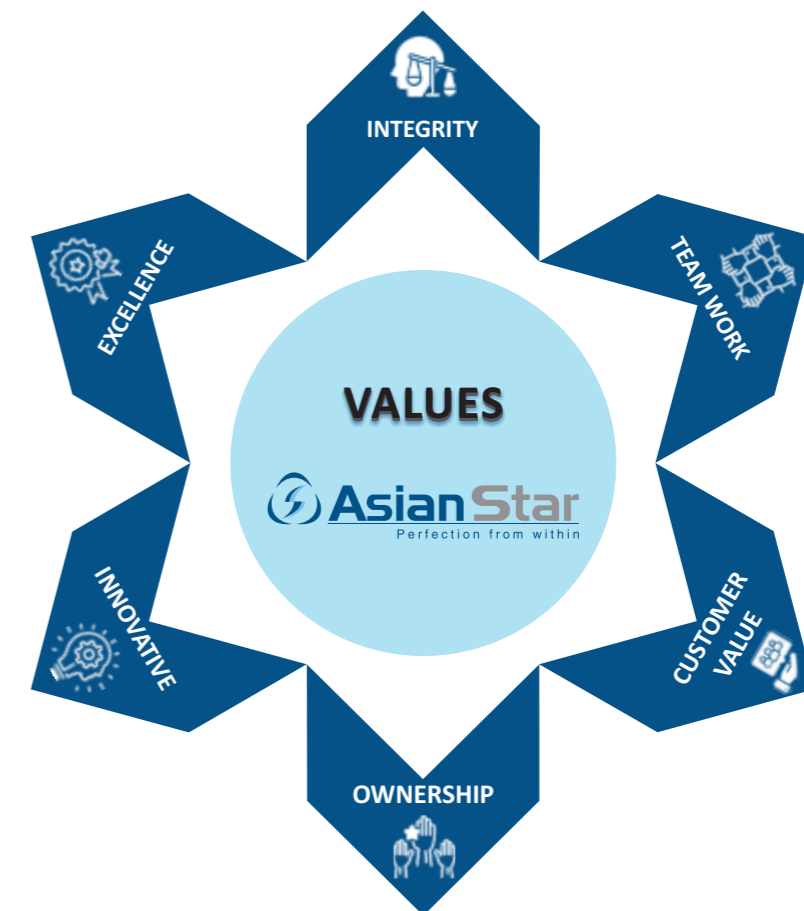


## LISTING ON THE BSE

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

## OUR VALUES, OUR DNA

2021 is the year we celebrate our past success, and also the year we look ahead with purpose at new opportunities. As the company prepares to move into the next phase of growth, the Asian Star team has defined a new set of core values that not only better represent the company we have grown into today but will also act as a guiding philosophy to help us achieve the company's vision and goals.



# LETTER FROM THE MANAGING DIRECTOR



"I thank all our stakeholders for 'Growing Together' as a family with us, which I firmly believe, is at the heart of sustained growth and enduring success of Asian Star."

VIPUL P. SHAH

## DEAR SHAREHOLDERS,

2020-21 has been one of the most challenging and difficult times for all of us as the Covid-19 pandemic ravaged the globe. At the outset, my sympathies are with those whose lives have been impacted by this menace. In the same breath, on behalf of everyone at Asian Star, I would also like to express my sincere gratitude to the medical fraternity, the frontline staff as well as the essential and emergency workers who risked their lives to fight the pandemic every day. The way everyone has come together and displayed tremendous grit and resilience, fills me with a sense of optimism and confidence that we will be able to overcome this crisis soon.

As we continue to fight our battle with Covid-19, I am happy to share with you that 2021 marks a significant milestone in the Asian Star journey – we have completed 50 years. For all of us at Asian Star, this milestone is both memorable and momentous. It is a time to look back at our achievements with pride, and to look ahead to the future with purpose. For us, the journey continues with the same passion and pace, the same conviction and commitment and the same determination and dedication. Because, at Asian Star, we have always believed that Every Milestone is a Stepping Stone.

These incredible 50 years would not have been possible without the contribution of all our partners – our investors, our bankers, our shareholders, our customers, our suppliers and our employees. I thank all our stakeholders for 'Growing Together' as a family with us, which I firmly believe, is at the heart of sustained growth and enduring success of Asian Star.

Let me now take you through the performance of the Company during the year. The rough headwinds unleashed by Covid-19 severely affected the industry. The first quarter of the year was literally washed out and there was an almost complete global shutdown. However, there was a gradual revival from the second quarter onwards. China, which is a significant market for diamonds, opened up fast. In the West, online sales in the US and Europe actually picked up in the second quarter. With the Company having a strong foothold and footprint in the global markets, this led to a notable acceleration in business. It is also pertinent to mention here the support of the mining companies who acted responsibly and allowed deferred offtakes. This ensured there was no pile-up of goods at

midstream level that would choke the value chain. From the upstream to the downstream, players worked cohesively to prepare for the busy third quarter – by far the most important quarter. During the third quarter, business bounced back to near-normal levels in most western countries on the back of phased unlocking. As retail stores and outdoor activity was selectively opened, customers could return to experiential shopping.

Against this backdrop, our consolidated total income from operations for the year was Rs. 2,544.39 crore compared to Rs. 3,052.94 crore in the previous year. Our Profit After Tax was Rs. 63.93 crore against a Profit After Tax of Rs. 63.40 crore in the earlier year (on a consolidated basis). These annual numbers reflect the challenging business environment during the year. But what definitely stands out is the Company's unprecedented performance in the last six months – our consolidated income from operations was over 32% higher compared to the last six months of the earlier year (pre-Covid-19). This exceptional performance is a testimony to the sincere efforts and team-work that everyone at Asian Star put in as a remarkable show of strength and resilience. I am proud of the team at Asian Star, and personally congratulate and thank each one of them.

As I look ahead, I am cautiously optimistic about the near-term future. The widespread succession of the vaccination drives proves that we will soon overcome this crisis. Like all crisis, this crisis too has taught us important lessons. And it is these lessons – agility, resilience, upskilling, digital acceleration – that will make us stronger as we emerge from this crisis, ready to leverage the learnings for further growth and expansion in a post-Covid world.

With that prayer and hope, I thank you for your trust in Asian Star, and urge you to please stay safe.

Yours sincerely,

Vipul P. Shah  
CEO & Managing Director

# ABOUT US

From humble beginnings in 1971 with a small cutting and polishing unit in Surat to present-day glory as we celebrate 50 momentous years in the diamond industry as one of the leading and respected diamantaires, the journey has been as interesting as it has been rewarding.

With a non-stop focus on learning and development and non-negotiable adherence to values and purpose, Asian Star has established a responsible and high-value vertically integrated business. Our seamless business operations encompass ethical sourcing from top mining companies, in-house diamond and jewellery manufacturing, top-end design and product development that help clients transform ideas into winning products and a global marketing network connecting to top retail brands.

We also remain one of the first and few companies in the Indian diamond and jewellery space to be listed on the Bombay Stock Exchange in 1996.

Our unique business competencies have stood strong over the years in the face of numerous market upheavals, enabling us to unflinchingly emerge stronger and more relevant to changing market needs.

ADDING VALUE-  
FROM  
PROCUREMENT  
TO RETAIL



Responsible sourcing of rough diamonds from top mining companies, namely ALROSA, DE BEERS and DOMINION DIAMOND.



World-class cutting and polishing unit at Surat covering 100,000 sq. ft., with over 800 employees.



Adding value downstream with three jewellery manufacturing units at Mumbai and Hosur covering 50,000 sq. ft.



Expanding our global footprint at key diamond centres through 21 marketing arms, including three subsidiaries.



Bespoke retailing with our couture jewellery boutique at Mumbai.

GROWING TOGETHER  
**1825 EMPLOYEES**

## ENSURING BUSINESS EXCELLENCE

### CUTTING AND POLISHING

We have state-of-the-art cutting and polishing unit located at Surat, equipped with the latest equipment and manned by top-rate craftsmen. At the heart of our cutting and polishing capabilities 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, and are now exploring the emerging segment of men's 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

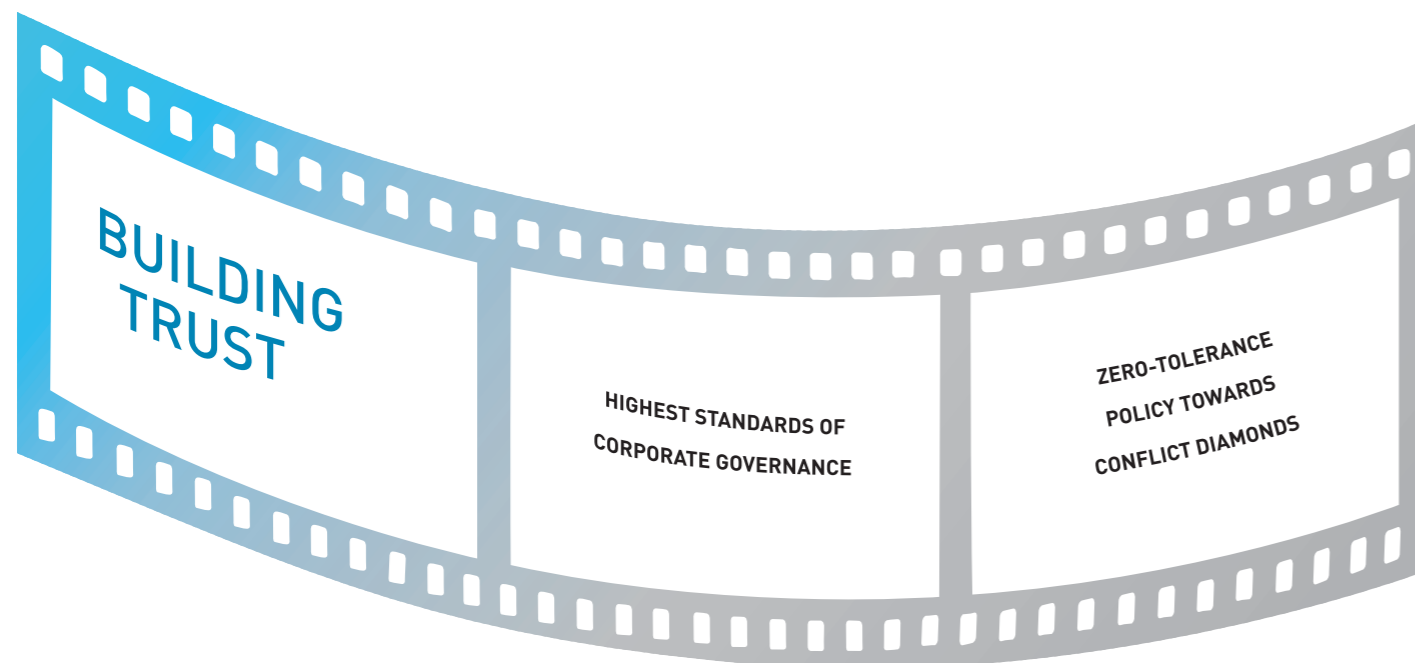
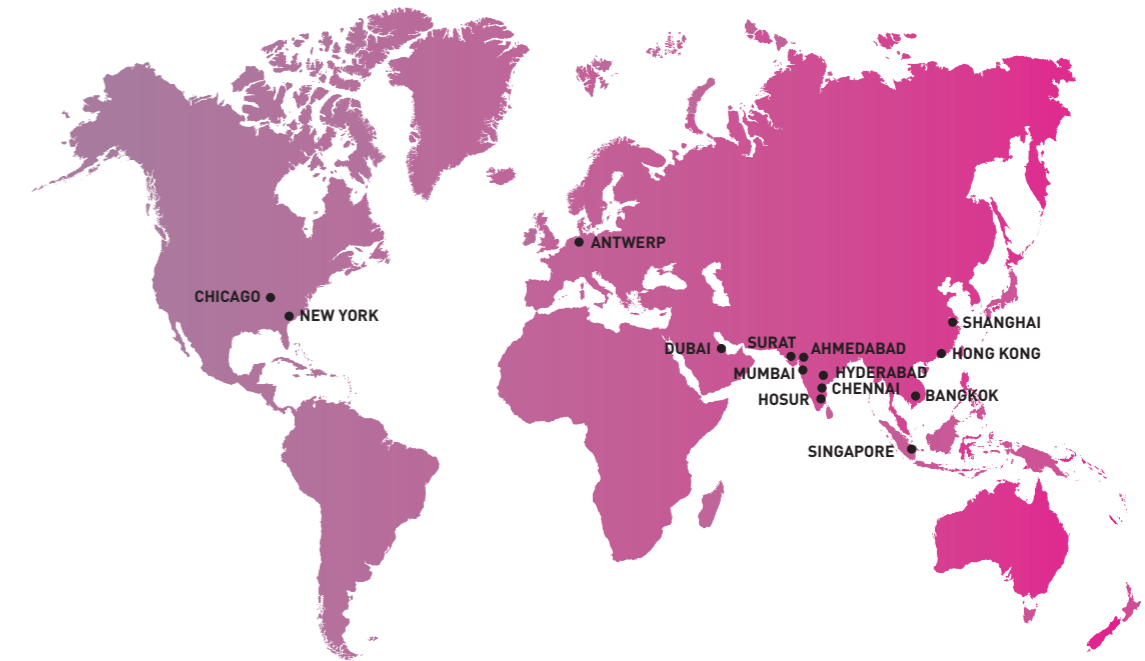
Our couture jewellery boutique, housing prêt diamond jewellery, completes our integrated value chain. For special occasions, we undertake consultations to create customised jewellery.

### POWER

Asian Star has a modest power business with windmills in Maharashtra, Kerala and Tamil Nadu.

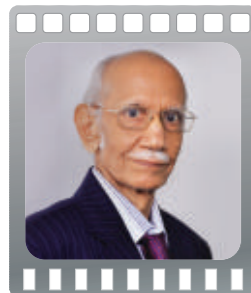
## STRENGTHENING CONNECTIONS

The Asian Star Group is recognised in most diamond markets through our 21 marketing arms and subsidiaries. We have an established presence at all levels of the diamond supply chain; at top diamond procurement centres like Antwerp and Dubai, manufacturing hubs like India and Southeast Asia, and key consumer markets like the US, Europe, China and India. Our strong network has helped us to forge key alliances and establish a reputation as a leading supplier of loose polished and diamond jewellery to renowned brands and retail chains across the globe.



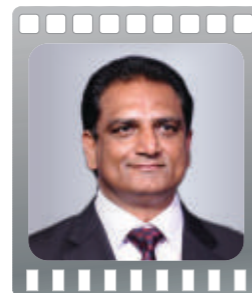


# BOARD OF DIRECTORS



**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.



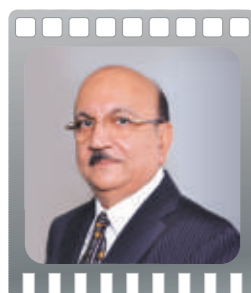
**K. MOHANRAM PAI**  
DIRECTOR

Mr. K. Mohanram Pai is BA and CAIIB. He has rich and varied experience in the banking industry. He has held offices as Executive DGM of Overseas Operations Dept. with Corporation Bank and as GM CVO with United Bank of India. He is a renowned expert in financial matters.



**JAYANTILAL D. PARMAR**  
DIRECTOR

Mr. Jayantilal Dudhabhai Parmar is BCom, CAIIB and Postgraduate in Industrial Relations & Personnel Management. He has rich experience in the field of International Business and Credit & Banking Operations. He has work experience of approximately 40 years with Bank of Baroda. He has worked across countries like India (Gujarat, Rajasthan, Madhya Pradesh, Chhattisgarh, Mumbai), Uganda (Kampala) and USA (New York).



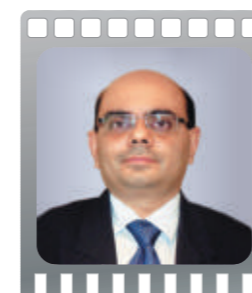
**ARVIND T. SHAH**  
EXECUTIVE DIRECTOR

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.



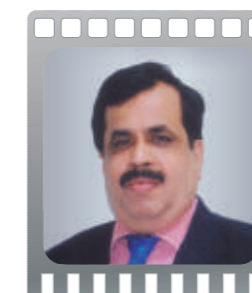
**PRIYANSHU A. SHAH**  
DIRECTOR

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



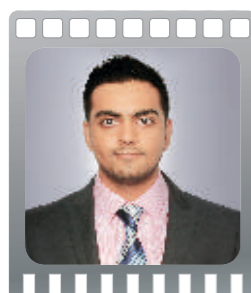
**APURVA R. SHAH**  
DIRECTOR

Mr. Apurva R. Shah is FCA, CWA 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 BCom and CAIIB. He has participated in a top management programme for Banking conducted by IIM, Ahmedabad and another programme conducted by Kellogg School of Management, USA jointly with National Institute of Bank Management. He has held offices as General Manager, HO of Corporation Bank and as Executive Director of Allahabad Bank. He has vast experience in retail and international banking and treasury operations.



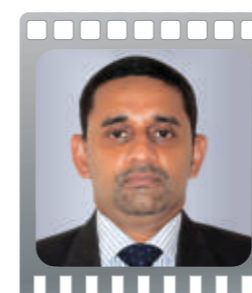
**RAHIL V. SHAH**  
EXECUTIVE DIRECTOR

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



**DHARMESH D. SHAH**  
DIRECTOR

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



**MILIND H. GANDHI**  
DIRECTOR

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

# MANAGEMENT DISCUSSION AND ANALYSIS



## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OVERVIEW

#### Global Economy

The year gone by was full of challenges with extreme ups and downs as never seen before. 2020 witnessed unprecedented and deep contraction, of 3.3% in global economic activity. The Covid-19 pandemic related lockdown in first half of 2020 impacted global economic growth. Many economies entered the crisis in a precarious fiscal situation and with less capacity to mount major health care policy responses or support livelihoods. Losses were particularly large for tourist nations, commodity exporters and countries with limited policy space to respond. Despite the economic disruption across the globe, global GDP decline was lower than initially feared primarily due to unprecedented monetary policy support from global central banks and fiscal stimulus from governments.

Advanced economies contracted 4.7% in 2020 with the decline in Euro zone at 6.6%, much sharper than that in the US at 3.5%. Advance economies are expected to grow at 5.1% in 2021 and 3.6% in 2022. Emerging economies witnessed lower economic impact than advanced economies in 2020 with 2.2% contraction and are expected growth at 6.7% in 2021 and 5% in 2022. The rebound in economic activity started in the second half of the fiscal continued unabated led by the advanced economies. Economic indicators from US hints that recovery is getting entrenched and has been better than expected supported by fast pace vaccination, lifting of restrictions and improvement in jobs market. Euro zone, which was lagging in vaccination till a few months ago, has also rapidly ramped up its pace of vaccination. The recent data from Euro zone and UK shows that the recovery momentum is improving with broad based improvement in both manufacturing and services sector. While growth momentum in China moderated a tad; it still remains at a reasonable level. The outlook on global growth remains optimistic on back of easing restrictions, accommodative fiscal and monetary policy, lower trending unemployment, pick up in housing and manufacturing, high household savings, improving consumer sentiments, etc. Recovery paths will vary within the group with USA and China expected to grow by 6.4% and 8.4% respectively to lead the recovery. The United States is projected to return to end-of-2019 activity levels in the first half of 2021 and Japan in the second half. In the Euro area and the United Kingdom, activity is expected to remain below end-of-2019 levels into 2022.

Ensuring adequate worldwide vaccine production and universal distribution at affordable prices is essential for all countries to decisively beat back the pandemic. Adequate access to international liquidity is needed on health care, other social, and infrastructure spending required for development and convergence to higher levels of income per capita. The key global political leaders need to join hands and keep an eye on key macro indicators like interest rates, inflation, job creation and credit off-take to ensure smooth recovery path. Policy measures announced at the end of 2020 - notably in the United States and Japan - are expected to provide support in 2021-22. Amid exceptional uncertainty, the global economy is projected to grow 6.0% in 2021 and 4.4% in 2022. Recovery will have to navigate through occasional regional restrictions necessary at times to stem the progression of new strains of the virus.

#### Indian Economy

The second advance estimates of National Income for FY2020-21 by the National Statistics Office indicate real GDP contraction at 8% for FY 2020-21 hit by the pandemic and the nationwide lockdown imposed to curb the spread of infections last year. Manufacturing & services, trade, hotel and transport sector were the most hit sectors in FY 2020-21. The most impacted sub-sectors included aviation, tourism, hospitality, trade, construction and industrial activity, due to mobility restrictions. Agriculture was the only positive sector on the back of good monsoon. India's economy contracted during the first half of FY 2020-21 with steep fall of 24.4% in the first quarter, before returning to positive territory in second half of the fiscal.

India saw a V-shaped recovery with most consumption and industrial indicators returning to positive growth territory. In the second half, restrictions on inter-state movements were lifted to ensure mobility of goods, thereby easing supply-side pressures. Industrial activity picked-up with stronger car sales, rising finished steel production and diesel consumption, higher goods and services tax revenue collections and improvement in the availability of finance from banks and internal sources. Pent-up demand and festivities added to buoyancy in economic activity.

The massive spending push of over 4 trillion announced in the Union Budget 2021-22 is expected to boost consumption supported by solid fiscal and quasi-fiscal measures. The recovery in economic activity and improved investor sentiments are a result of impactful reforms undertaken by the government since March 2020. In order to boost the economy, the Government has initiated several

investment focused spending programs like the National Infrastructure Pipeline, demand-driven capex, and the Centre's Production-Linked Incentive (PLI) scheme.

The current external environment is one of the finest that India has experienced in a long time on back of low interest rates globally, weak oil prices, likelihood of India benefiting from realignment of global supply chain due to anti China sentiment, ample global liquidity and favourable environment for increase in manufacturing. These factors coupled with accelerated pace of reforms focused around improving India's local manufacturing and a conducive environment to gain share in global manufacturing has the potential to put Indian economy back on a high growth trajectory on a sustained basis.

Recovering investor sentiment, recovery in manufacturing and construction, investment focused Government spending and massive vaccination drive undertaken by the Government is likely to aid economic recovery. As per the World Bank, India's GDP growth is estimated at 8.3% during FY 2021-22 depending on the success of vaccination campaign, global economic recovery and impact of second and third infectious wave of COVID-19. Unlike the first wave where lockdowns were applied nationwide for several months, the second wave micro-containment zone measures were more localized, targeted and lasted for shorter duration. Businesses and consumers have also grown more accustomed to operating under pandemic conditions which is expected to contain the negative impact on economy.

The challenges of COVID-19 notwithstanding, India remains one of the world's most significant economies powered by its people and growing opportunities.

## INDUSTRY OVERVIEW

### Global Gems and Jewellery Industry

The COVID-19 pandemic created a massive disruption in the supply chain across countries with closure of mines, factory shutdowns, closure of retail stores, restrictions on goods movement and postponement and cancellation of trade exhibitions and events having a significant impact on the trade of gems and jewellery. Spending on discretionary items like watches, jewellery, apparel, accessories and cosmetics witnessed decline during 2020, as consumers started stocking up the essentials and staple food items, globally.

Lockdowns, travel restrictions and economic uncertainty pushed diamond jewelry sales down by 15% in 2020 predominantly in the first half. Faced with store closures, diamond retail sales pivoted online, and benefited from consumers who could not spend on travel or experiences, choosing diamond jewellery instead since it is considered a tangible physical investment. Demand returned during the fourth quarter, culminating in strong holiday jewellery sales across the globe, particularly in the US and China, which saw a 5-10% and 15-20% rise in the fourth quarter, respectively. Diamond jewellery performed better than the global personal luxury market in 2020 which witnessed 22% decline.

Mining Companies responsible and flexible approach during this crisis supported the midstream players to weather the storm. Mining companies implemented production cuts and allowed postponement of contractual buying easing the pressure on the inventory pipeline. Diamantaires are staying light on inventory and prefer to purchase roughs when there is visibility in polished-diamond sales. The focus on realization of outstanding dues helped improve the receivable levels and overall working capital cycle. This coupled with supportive banking policies helped avoid liquidity crunch.

Despite COVID-19 crisis, consumers continue to value diamond jewellery as a desirable gift and a key element of marriage. In 2020, around 20% of diamond retail sales occurred online, up from ~13% in 2019. The online share of diamond jewelry sales is still low compared to other luxury and consumer products. Most consumers use digital tools to research and choose jewellery before making in-store purchases. Trend is unlikely to fully reverse after the pandemic, compelling retailers to invest in digital capabilities, delightful online shopping experiences and seamless omnichannel or phygital interactions.

According to Bain & Company, the Chinese diamond jewellery retail market is expected to recover in early 2021, while other developed countries will reach pre-pandemic levels in 2022-23. Retail recovery in emerging countries is expected in 2023-24. Epidemiology, government policy response and consumer response are expected to be the key factors influencing diamond jewellery retail sales. The diamond industry exhibited agility with players throughout the value chain promptly adapting and consumers of diamond jewelry showing the willingness to invest in it, even in difficult times. The most important aspect of the recovery is that the revival in the demand seen in the second half has continued and is expected to get stronger with fading impact of pandemic and rapid vaccination in major markets like US, China and Europe.

### Indian Gems and Jewellery Industry

The Gem & Jewellery sector is truly India's sparkling gem contributing about 7% to GDP, employing over 4.64 million people and being responsible for about 16% of the country's total merchandise export. Being one of the largest exporting sectors, the gems and jewellery industry plays a key role in India's economy, contributing a large percentage of the total foreign reserves of the country. It is a unique industry, with India being a proud global leader in terms of heritage, designs and craftsmanship. The extremely export oriented and labour intensive industry is one of the fastest growing sectors and one of the largest in the world.

In F.Y. 2020-21, gems and jewellery exports declined 28.5% to USD 25.3 bn from USD 35.3 bn in F.Y. 2019-20 on account of COVID-related disruptions. However, the decline was much lower than what was feared at the beginning of global lockdown.

The year gone by was an exceptional year with worldwide supply chain disruptions caused by the pandemic. Yet the Indian gems and jewellery industry exhibited resilience, adapted to the new normal and strived towards attaining recovery in exports, especially in the second half of the year. The first half of the year witnessed significant drop in demand both in domestic and international markets. There was a 'complete washout' of the first quarter due to lockdown to curb spreading of the COVID-19 which has had cascading impact on full year growth. While the international borders restricted their trade to essential commodities, domestic market could not witness much sales due to the closure of retail showrooms. Hence, online mode of selling, being the only alternative, gained pace. Improved international market demand in the third quarter owing to a robust holiday season, stimulated manufacturing across industry and overall gross exports. As restrictions eased in the domestic market, festive demand and pent-up demand saw slight pick-up starting second half of the fiscal. Offline sales were severely impacted due to restricted mobility and fear amongst people even when restrictions eased.

Digital adoption, changing consumer priorities and emerging niche segments are redefining jewellery retail across markets amid the coronavirus pandemic. Virus-containment efforts along with medical precautions accelerated digital transformation in the jewellery industry as homebound consumers headed online to shop. E-commerce and omnichannel retail solutions kept consumption humming despite lockdowns and social-distancing regulations. Augmented-reality software, do-/design-it-yourself jewellery options and digital customer interfaces narrowed the gap between online sales platforms and brick-and-mortar stores. Contactless payments grew their market share during the pandemic and are likely to remain important in the next normal, with people gaining trust and confidence in e-wallets and online purchases. The online retail sales has seen marked improvement led by providing certificates, warranties and reviews; enhancing convenience through free delivery and returns or 'try before paying' programmes; and giving additional discounts and promotions for online purchases. The Indian gems and jewellery continue to hold a dominant place in the world market owing to its cost competitiveness, highly skilled talent pool, availability of cheap labour and use of modern technologies. US, Europe, Japan, and China are India's leading export destinations for gems and jewellery with US accounting for nearly one-fourth of the country's total exports.

### Cut and Polished Diamonds

As the world's largest centre for cut and polished diamonds, annually India processes about 1 billion pieces of diamonds valued at USD 23 bn. India is deemed to be the hub of the global jewellery market because of its low costs and availability of cheap labour. India exports 75% of the cut and polished diamonds and contributes to 29% of the global jewellery consumption. 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. The sector is home to more than 300,000 gems and jewellery players. Several of these players have developed capabilities for mass produced diamond jewellery designed for Europe, US or Far East as well as exquisitely crafted designer jewellery in plain gold or studded with diamonds and coloured gemstones.

All the stakeholders collectively decided to voluntarily suspend rough diamond purchases between April and July 2020. The industry did not devalue, and excess inventory got offloaded easing the pressure on the inventory pipeline. The pent-up demand and diamonds getting listed in the preferred buying list in the second half from the USA and China, which consume 50% and 20% of diamonds produced in the world, respectively, resulted in healthy order bookings from retailers in those markets. As per GJEPC, exports of cut and polished diamonds declined 12.1% from USD 18.7 bn in F.Y. 2019-20 to USD 16.4 bn in F.Y. 2020-21.



## Jewellery

India counts amongst the largest plain as well as studded gold jewellery exporters of the world, exporting to almost 160 countries. India boasts of close to 20 unique jewellery making styles. Globally the sector is renowned for its handmade jewellery, with specialisation in areas such as kundan, temple and meenakari, not available anywhere else in the world. India's gold jewellery exports comprise of both handmade jewellery and machine made jewellery produced on a large scale.

According to GJEPC, export of studded gold jewellery declined 15.74% in F.Y. 2020-21 to USD 2.78 bn from USD 3.30 bn in F.Y. 2020-21 hit by the coronavirus pandemic and high gold prices. Changed consumer social distancing habits and limitations on social events globally contributed immensely to the slack in demand.

Jewellery industry is seen growing with technology advancement and proliferation of e-commerce. Growth in online shopping, ease of availability, attractive offers, and increasing popularity of affordable jewellery is compelling jewellery players to tap e-commerce platforms. Online sales are expected to account for 1% to 2% of the fine jewellery market by 2021-22, driven by burgeoning internet penetration, greater convenience, and easy availability of affordable jewellery. Demand for fashion jewellery has been growing significantly in younger generation and millennials who treat fashion jewellery as a style statement.

Given the favorable demographics and greater spending propensity in India, a larger number of people today prefer branded and high-quality jewellery. Increasing penetration of organised jewellers implies exclusive collection of pioneering and authentic products. Further, mandatory hallmarking of gold jewellery strengthens consumer confidence and creates a level playing field for organised jewellery players. Organised jewellery manufacturers are focused on making higher branding and marketing investments to increase their reach and market share and cater to the fast-growing retail industry.

## Outlook

The impact of Covid-19 has been steadily fading away aided by lock down and other restrictive measures taken by various countries. Financial packages, stimulus, reliefs provided by banks across the countries have helped global economy to navigate through these difficult times. All these measures have helped protect lives and livelihood. Rapid pace of vaccination has helped curb the spread of virus and bring back normalcy. Overall impact of Covid-19 has been far lesser than feared when the pandemic broke out. The economic revival and the upbeat overall economic sentiment witnessed during the second half of last fiscal has continued, which augurs well for the year ahead.

India has done remarkably well to rebound after the historical fall witnessed in the first quarter. The harsh steps taken by the government had brought the economy to standstill but putting lives before livelihood proved to be the right choice. The economic recovery seen in the second half of F.Y. 2020-21 is poised to sustain in the coming fiscal, notwithstanding the spike in Covid-19 cases seen in the second wave as the cases are concentrated in a few states and containment measures are more localized - targeted and less stringent. The impetus to infrastructure development in Union Budget 2021-22, supportive government policies, steady farm performance and sustained rural demand, revival of urban demand together with rollout of vaccination, hold promise for continued improvement in the overall economic activity.

The Government is focused on expanding exports by providing conducive environment for manufacture of quality goods at competitive prices. Alterations to the global supply chains, which are heavily dependent on China, in the aftermath of the pandemic and geopolitical changes, has prompted businesses to shift their reliance to other countries which presents a huge opportunity for India to become an alternate base. The Prime Minister has urged the stakeholders to put all their efforts to take advantage of this opportunity. Considering the size of our economy and potential, our manufacturing and service industry base, there is tremendous potential for export growth. Sensing this, Government has spurred itself into action, especially post the border standoff, and has undertaken series of steps in quick succession over the past few months like launching PLI schemes for multiple sectors, raising tariff and non-tariff barriers, rationalizing labour laws, etc. Further, it is for the first time, India is leveraging its large domestic market to incentivize domestic manufacturing. Apart from above, over last few years, Government was implementing measures at a steady pace by focusing on improving ease of doing business, reducing corporate tax rates, Aatma Nirbhar package, etc. All these measures and current environment bodes well for manufacturing in India.

Government's boost to the gems and jewellery sector will enable it to face the challenges imposed by the second and third wave. In Union Budget 2021-22, the customs duty on gold as well as other precious metals was reduced to provide some relief to the industry to bring down the retail prices, boost export of jewellery and curb smuggling. This move will also help in reduction of disparity in gold pricing in India as compared to other international markets. The Government made substantial investment into banks, infrastructure and agriculture which will eventually lead to better liquidity, resulting in better spending by the consumers. The budget also encouraged the NRIs to invest money into the country thereby benefiting the jewellery sector. Additional interest subvention, extension of loan maturity and interest payment, among others, will play a vital role in boosting sector growth. Given its massive growth potential and contribution, the government has been focussing on adopting favourable policies and initiatives to promote investments and support growth of gems and jewellery industry. Measures like Make in India, Brand India, establishment of Common Facility Centres (CFCs) and setting up largest jewellery park in Mumbai will provide a huge thrust to the industry.

Lockdown, travel and other restrictions resulted in disruption in supply chain of the industry. Mobility restrictions impacted offline sales though online sales have compensated it to an extent. The industry quickly adapted to the new normal with virtual events becoming commonplace both for B2B and B2C. Players across the value chain have adopted digital and omnichannel strategies to reach out to their consumers. Towards the second half of last fiscal, pent-up demand and stimuli had buoyed consumption of diamonds and jewellery in the US and China, which account for ~75% of India's polished diamond exports. With the pandemic said to be contained in China, and the US inoculating ~40% of its population, consumer confidence has improved in both countries. Demand will also be bolstered by improving economic growth and declining unemployment. Studded precious metal jewellery exports are expected to be an important growth area in 2021. Postponement of wedding and other occasions last year will also help boosting the local pent up demand. Overall the outlook for the Industry looks very promising albeit the sharp rise in Covid cases forcing stringent restrictions are the key threats to be negotiated.

## COMPANY OVERVIEW

With five decades of experience, Asian Star Company Limited (the Company) has emerged as one of the world's prominent and distinguished diamond & jewellery manufacturing companies. The Company operates across the value chain from rough sourcing to diamond cutting and polishing to jewellery manufacturing and retailing. The Company is one of the largest diamantaires in the country with vertically integrated operations.

With an extensive global presence and widespread global marketing network the Company has a massive global footprint covering major diamond consuming cities, namely Chicago, New York, Antwerp, Dubai, Shanghai, Hong Kong, Bangkok and Singapore. In its journey of 50 years, the Company has earned itself the reputation of the most trusted diamond companies in the world supported by its state-of-the-art infrastructure, expert team, and dedicated R&D capabilities.

The Company's stronghold on its supply chain is reflected in strong arrangement of direct supply of rough diamonds established with the top global mining companies. The Company is an approved manufacturer of the world's leading retail brands, reiterating its expert craftsmanship and persistent commitment to quality and veracity.

### Manufacturing Facility for Polished Diamond

Spread across 1 lakh sq. ft, the Company's sophisticated diamond cutting and polishing facility located in Surat, Gujarat houses latest equipment and technology. This world class facility employs over 800 skilled artisans. The highly experienced and adept production team addresses the various complexities of diamond cutting resulting in optimal yield and utmost client satisfaction. The Company is recognised for its consistency in quality and cut and its products are acknowledged as 'Asian Star Make' in the global industry.

The Company provides conflict-free natural diamonds specially customized in proprietary cuts as per client demands. Its extensive portfolio spans across colours and shapes with diamonds ranging upto 5 carats in size in fine make. Its loose polished portfolio consists of round brilliant diamonds, generic fancy shapes, EX-EX-EX Hearts & Arrows cut, proprietary diamond cuts and Forevermark diamonds.

### Manufacturing Facility for Jewellery

The Company is a preferred supplier to leading jewellery brands and retail chains worldwide backed by its strong competence in jewellery manufacturing. It has three in-house manufacturing facilities - two located at SEEPZ and MIDC in Mumbai; and one at Hosur in Tamil Nadu, spreading across a total area of 50,000 sq. ft. The aggregate production capacity across the three facilities is around 7.5

lakh pieces annually. The SEEPZ facility exclusively caters to the international markets, and the MIDC and Hosur units serve the domestic market demand.

The Company is renowned for its bespoke and spectacular jewellery well aided by its skilled designing and merchandising teams. Large-scale manufacturing and lean manufacturing processes enable the Company to minimise production cycle and offer competitive prices for the highest quality products.

### Distribution

The Company has strategic presence in major diamond trading and consuming centres in Asia, Europe and America with an extensive network of subsidiaries and marketing arms. The Company creates bespoke products inspired by latest technology firmly backed by its long lasting relationships with world's leading retailers and brands. It offers distinguished services like dedicated quality control programme, access to widespread design bank and design customisation. Its unique products and differentiated services are inspired by its easy access and monitoring of information on latest market updates and global design trends.

### Retail

In the niche jewellery retail space, the Company has a spacious and luxurious couture diamond boutique, exclusively to serve the high net worth individuals (HNIs). The boutique offers a wide range of pret diamond jewellery, and undertakes customised orders with jewellery design consultations suiting the preferences of discerning customers for special occasions. 'Rendezvous Luxe', a luxury event and a couture diamond jewellery extravaganza is annually organized for Mumbai's elite, wherein the Company displays its exquisite diamond jewellery. Diverse sources such as nature, art and history are the inspirations for the design conceptualisation of its thematic collections.

## FINANCIAL OVERVIEW

In view of an extremely challenging business environment, both internationally as well as in India, the Company's total income from operations at consolidated levels declined 16.7% from Rs. 3,052.94 crores in F.Y. 2019-20 to Rs. 2,544.39 crores in F.Y. 2020-21. Due to Covid-19 related lockdown and restriction in movement of people and goods for most part of the year, the diamond business revenue declined 16.23% from Rs. 2,394.48 crores in F.Y. 2019-20 to Rs. 2,005.98 crores in F.Y. 2020-21. Jewellery business revenue declined by 18.3% from Rs. 653.31 crores in F.Y. 2019-20 to Rs. 533.92 crores in F.Y. 2020-21. Consolidated PAT (excluding other income, exceptional items and comprehensive income) declined 25.7% from Rs. 67.07 crores in F.Y. 2019-20 to Rs. 49.83 crores in F.Y. 2020-21. The consolidated net worth of the Company stood at Rs. 1,212 crores at the end of the year under review.

However, it is pertinent to note that the Company demonstrated remarkable resilience in the latter half of the year as it quickly adjusted to the new reality of the Covid-19 situation. The combined efforts of everyone in the Company helped overcome a marked difficult year with an unprecedented performance in the last two quarters. The total revenue for the last six months of the year increased by over 32% compared to the same period in the previous financial year. This reflects the fact that the Company has re-calibrated itself to the new reality and indicates all possibilities of continuing this positive trend in the new financial year.

## OPPORTUNITIES

### Reduced Competition from other Luxury Products

With travel bans and closure or reduced operating hours of restaurants, cinemas, shopping malls and other establishments, consumers awash with discretionary cash are spending locally, fueling domestic retail. Travel has previously been the key competitor to diamond jewellery in recent years, particularly for the millennial share of wallet. As per report, discretionary spends saved due to travel restrictions are likely to be allocated to diamond purchases. In 2020 over two-thirds Americans cancelled travel plans with 55 per cent left with extra money as a result. In the absence of travel, one in eight consumers said they would instead choose diamonds to mark a special occasion.

### Tier I and tier II towns see growing demand

Urbanisation, favourable demographics, higher disposable incomes, growing affluence, and evolving consumer choices led by deep penetration of mobiles and internet, there has been an unprecedented rise in jewellery demand in the domestic markets especially

from tier I and tier II towns. With lower impact of COVID-19 led pandemic, good monsoon, better agricultural output, favourable government policies pushing reforms in rural India, there has been a steady growth in jewellery demand in smaller towns.

### Realignment of global supply chains

Countries are increasingly shifting trade ties with China post the outbreak of COVID-19 pandemic to other Asian countries. Indian gems and jewellery market with immense global recognition, rich experience, availability of skilled and low cost labour has emerged as an attractive alternative to China. Sensing this opportunity government has also taken various steps to support the industry and boost manufacture, which augurs well for the future growth of the industry.

### Shift from unorganized to organized

Several small and unorganized players who have hitherto dominated the Indian gems and jewellery industry have been facing severe challenges led by COVID-19 in terms of access to finance, managing cash flows, etc. Travel and trade restrictions have not only dampened consumer sentiment and disrupted supply chains, but also led to the emergence of online/omni channel business. There has been growing awareness and concern among the youth towards sustainability. Consumers are now concerned about environmental preservation, conflict-free supply chains and carbon footprint. Unorganized players are struggling to evolve with the changing market dynamics and unable to bear associated financial stress, giving way to growth of the organized sector.

### E-commerce

With business-as-usual no longer the norm, agility and responsiveness to new trends and developments is commonplace. Online jewellery shopping which had seen robust growth in the light jewellery segment pre-COVID19, is witnessing substantial growth with restricted mobility. E-commerce and omnichannel retail solutions kept consumption humming globally despite lockdowns and social-distancing regulations. Augmented-reality software, do-/design-it-yourself jewellery options and digital customer interfaces narrowed the gap between online sales platforms and brick-and-mortar stores. Emerging online jewellery players have enabled people in tier I and tier II cities to shop for gold and diamond jewellery. Ease of availability and delivery backed by a variety of payment options including cash on delivery and other advantages such as easy instalments and discounts make online shopping lucrative and more feasible. Online shopping is increasingly being integrated with an in-store purchase experience to a digital platform led by high-quality images, easy return policies, try-at-home options, and consumer friendly product configuration settings.

The Government of India has taken a number of initiatives to propel the growth of India's online jewellery industry. Several laws have been passed to secure and stabilise the digital payments ecosystems. Additionally, there are laws to protect the interests of consumers while making transactions online. This has resulted in a substantial increase in the usage of cards and digital wallets for online purchases. As more retailers in the jewellery segment realize the huge opportunity in the e-commerce sector, the players are gearing up to emerging consumer expectations for a great shopping experience. Innovative technology to meet consumer demands will outline the next phase of growth.

### Self purchase emerging as a high growth consumer segment

The female self-purchase market notably gained steam across product categories during the pandemic. Research and surveys have noted that female self-purchase of precious jewellery was robust last year and will continue to gain strength in 2021. Research showed that 77 per cent of Chinese and Indian female respondents along with 59 per cent of American female consumers bought non-bridal jewellery for themselves in 2020. And over 80 per cent of Chinese and Indian and 67 per cent of American female respondents plan to buy themselves non-bridal jewellery this year. This reflects the aspirations of millennial consumers who seek affirmation in a rapidly changing society. Many retail jewellers have started expanding their offerings and target female self-purchase as a new consumer segment which has good potential for growth.

### Diamond as an Investment Option

Diamonds are increasingly becoming a lucrative mode of investment given ever increasing gold prices amidst economic uncertainties and limited investment options. Consumers attach both emotional and rational intent to diamond purchase as it is a safe haven for investment. It is beyond an adornment metal, it is a symbol of security led by certified diamonds which provide transparent valuation and value assurance. As people spend less on travel and lifestyle expenses due to COVID-19, jewellery is expected to benefit from a part

of this unspent income. Also, the grandeur of Indian weddings is shrinking with less number of people and the focus is shifting to investment in jewellery.

### Government Support to the Industry

Government has identified the industry's immense growth potential and has been supportive. It has been working hand-in-hand with the Industry.

- In Union Budget 2021-22, the government announced reduction on import duty for precious metals (including gold and silver) to 7.5%, from 12%, that will help the gems and jewellery exports market in India become globally competitive.
- In December 2020, All India Gem and Jewellery Domestic Council (GJC) welcomed the decision to make hallmarking compulsory from June 2021 in a phased manner; this will help build consumer trust and confidence.
- In August 2020, the government called for constituting a special group, which will include both customs and banking officials, to resolve issues faced by the gem and jewellery sector.
- The Gem & Jewellery Export Promotion Council (GJEPC) is setting up the India Jewellery Park in Navi Mumbai, which will have around 5000 big and small units across the value chain and will be a one stop hub for all the transactions. This will facilitate in strengthening exports.

### RISKS, THREATS & CONCERNS

#### Fall in Demand due to uncertain environment

The Market has seen V-Shaped recovery in the second half of the last fiscal. This is largely attributed to release of pent up demand and liquidity created by the generous stimulus and relief packages provided by various governments. These are temporary measures and will dry down over a period of time. This has also led to spurt in inflation across economies affecting the disposable income in the hands of the consumers. Beside this, pandemic is not fully under control and crops up at regular intervals. Second wave of Covid dampened the activity in the local gem and jewellery sector with reduced footfall in stores and several jewellers shutting shops located in malls and shopping complexes. Concerns of possible third wave raises threat to growth prospects of the industry as consumer confidence may get dampened.

The Company's widespread global presence, strong distribution network and distinguished product and service are supporting growth opportunities and business continuity. It is not dependant on any particular market and is capable of navigating through such challenges.

#### Pressure on Margin may mount

While gem and jewellery market demand has been reviving, margins may come under pressure due to heightened competition. As players compete for the same pie of the market demand, profitability is likely to get impacted.

Slowdown in mining activities has constrained supply of rough diamond leading to increased prices. If the price of the end products doesn't increase at the retail level, then it will further squeeze the already thin margins.

Strong focus on improving yields and containing wastages has been the Company's unmatched strength in testing times. Lean manufacturing process, leveraging innovation and modern technology and processes, long term contracts to procure rough diamonds at competitive rates, vertically integrated operations enable the Company to keep costs under control while serving consumers with superior quality products at competitive prices.

#### Growing demand for less expensive lab grown diamonds

Synthetic/lab grown diamond market is steadily growing amidst limited disposable income. Income constraints due to COVID-19 pandemic has further fuelled this trend. Consumer acceptance for lab grown diamonds is on the rise as they are much less expensive as compared to natural diamonds but appears as good as natural diamond. Jewellers have also invested in the aesthetic appearance of lab grown diamonds which is enhancing appearance of such jewellery. Youth buying jewellery for fashion are also likely to be attracted towards it.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems are designed to safeguard the Company's assets and ensure efficient productivity at all levels. The systems are adequate for the size, nature and complexity of business and industry in which it operates. Well defined processes, guidelines and procedures and adequate internal information systems encompass various aspects of governance, compliance, audit, control, and reporting. Amidst multifaceted business environment the internal control system works as tool to keep the Company resilient and agile. The Company's robust control systems safeguard sensitive data, ease out audit process, enables maintenance of proper accounting controls and documentation, monitoring of operations, conservation of assets and reliable, accurate and timely financial reporting. Internal controls also ensure strict adherence to applicable laws and regulations.

The Audit Committee of the Board keeps a close eye on business operations and functioning of the internal audit function. The findings of the audit function are reviewed by the Committee at regular intervals. Appropriate actions, as deemed necessary to ensure sustainability and future growth prospects of the Company, are taken in a timely fashion. The Company strives to ensure strict adherence to all applicable laws, statutes and environmental norms. In addition, the internal control systems ensure adequacy of financial statements. The internal controls facilitate prompt detection and redressal of any deviations in business operations. The controls put forth an accurate summary of the organization's position at all times. During the year under review, no material weakness was reflected in the design or operation.

### HUMAN RESOURCES

Human capital is considered a key resource and an integral contributor to the success of the Company. The Company ensures a safe, conducive and productive work environment to enhance employee productivity. Employees are considered a critical aspect of business growth and sustainability. The company boasts of well-defined HR policies which take care of both personal and professional growth of its employees. Policies nurture a culture that leads to alignment of employee goals with that of the Company. Open door policy ensures fair, transparent, and inclusive work culture. Direct conversations and exchange of ideas between employees and management are commonplace. The Company conducts regular trainings to the employees in the form of quality and production workshops to ensure skill upgradation and personnel development. The attrition level is minimal given HR focus on maximising employee productivity, increasing employee satisfaction and engagement. Robust policies regarding work acknowledgement and recognition and reward help inculcate a sense of belongingness and empowerment and motivate the employees to further contribute to business growth. The hard work of all the employees has been sincerely appreciated by the management with gratitude.

# DIRECTORS' REPORT



## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Twenty Seventh Annual Report together with Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended March 31, 2021.

### Financial Results

PARTICULARS	Standalone		Consolidated	
	2020-2021	2019-2020	2020-2021	2019-2020
Revenue from operations	1,687.40	2,162.80	2544.39	3052.94
Add: Other Income	20.62	(0.98)	17.85	(3.90)
Total Revenue	1,708.02	2,161.81	2562.24	3,049.04
Less: Total Expenditure	1,641.41	2,087.49	2,480.82	2,935.80
Operating Profit (PBDIT)	66.61	74.32	81.41	113.24
Less: Interest and Depreciation	14.91	32.28	18.42	35.63
Profit before Exceptional Items and Tax	51.70	42.04	62.99	77.61
Exceptional Items - Income / (Loss)	(3.65)	-	(3.65)	-
Profit before tax	48.05	42.04	59.34	77.61
Provision for Tax	9.72	13.54	9.81	13.63
Provision for Deferred Tax	(14.49)	0.81	(14.49)	0.81
Profit after Tax	52.82	27.69	64.03	63.17
Less / (add): Minority Interest in Profit	-	-	0.10	(0.23)
Other Comprehensive Income	(3.88)	1.21	(2.66)	(4.48)
Total Comprehensive Income	48.93	28.90	61.27	58.92

### Financial Performance of the Company

The year gone by was a challenging year riddled with unprecedented health and economic crisis. Covid -19 induced lockdown and other restrictions across the globe severely impacted the operations of the Company as well as the Industry during the first half of the financial year. First quarter was almost a wash out with literally complete global shutdown. However, there was a gradual revival from the second quarter which gained further momentum in the subsequent quarters. In this challenging and volatile environment your Company has achieved turnover of Rs. 1,687.40 crore against that of Rs. 2,162.80 crore during FY 2019-20 on a standalone basis. Consolidated Revenue for the year was Rs. 2,544.39 crore against Rs. 3,052.94 during the FY 2019-20. Despite these challenges, your Company's standalone net profit after tax increased to Rs. 52.82 Crores as against Rs. 27.69 crore in previous year, supported by other income and write back of deferred tax provision. Consolidated net profit after tax also increased to Rs. 64.03 crore from Rs. 63.17 crore in previous year.

These numbers reflects Companies resilience which enabled it to navigate the difficult times and come out stronger with outstanding performance in the last six months registering a growth of 24% and 32% on year on year basis in revenue on standalone and consolidated basis respectively.

### The Covid-19 Pandemic

Outbreak of COVID 19 towards the end of FY 2019-2020 severely hit the Gems & Jewellery Industries along with the entire economy. Lockdown in various parts of the globe, travel restrictions, cancellation of trade exhibitions and shows and various measures taken to prevent the spread of Covid almost brought the industry to a standstill in the first few months of the FY 2021.

Operations of the Company too were affected by COVID 19 disruption like the entire industry. During the first few months there were negligible activities as all the production facilities and offices were shut during the nationwide lockdown imposed in April 2020 impacting the sales and profitability for the year. However, with gradual relaxation and unlocking measures implemented by various state governments, the business activity begun slowly and steadily. With all the production facilities fully operational, business started reviving in the second quarter, and continued growing at a steady pace. Revenue improved quarter on quarter and was back to normalcy in the third quarter. With major consumption centres out of the grip of COVID 19, and their vaccination drive to be completed within next few months, the Company expects a promising year ahead albeit the hiccups and uncertainty in the short and medium term cannot be ruled out.

As a responsible member of the communities that it operates in, the Company has contributed to COVID-19 relief and monitoring programs in India. The Company's focus on liquidity, supported by a strong balance sheet and acceleration in cost optimization initiatives, would help in navigating any short term challenges that may arise due to COVID-19.

### Dividend

The Directors are pleased to recommend a final dividend on equity shares at the rate of 15% (i.e. Rs. 1.50 per Equity Share of Rs. 10/- each) which will be Rs. 240.10 lacs subject to the approval of the members at the ensuing Annual General Meeting.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of the shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the members at prescribed rates as per the Income-Tax Act, 1961.

### Dividend Distribution Policy

According to Regulation 43A of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended w.e.f. 6<sup>th</sup> May, 2021, the applicability of the dividend distribution policy is extended to the top 1000 listed entities based on market capitalization, calculated as on 31<sup>st</sup> March of preceding financial year. The dividend distribution policy for your company is under the process of formulation and same shall be placed on the website of your Company in due course.

### Transfer to Reserves

During FY 2020-21, no amount has been transferred to any reserves and Board of your Company has decided to retain the entire amount of profits for Financial Year 2020-21 in the profit and loss account.

### Deposits, Loans, Advances And Other Transactions

Your Company has not accepted any deposits from public or its employees and, as such no amount on account of principal or interest on deposit were outstanding as of the Balance Sheet date. Your Company has not given any loans and advances, which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) read with Schedule V of the SEBI LODR. Further, in terms of Regulation 34(3) read with Schedule V of the SEBI LODR, details of the transactions of the Company, with the promoter and related parties as on 31<sup>st</sup> March, 2021, in the format prescribed in the relevant accounting standards for annual results, are given in Note no. 35 to the standalone financial statement.

### Share Capital

During the year, there has been no change in authorised share capital of the company. The paid up capital of the Company stood at Rs. 16,00,68,000/- at 31<sup>st</sup> March, 2021.

### Credit Rating

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies as given below:

Instrument	Rating Agency	Rating	Rating Action
Long-term/Short-term Bank Facilities (Fund Based)	CARE	CARE A- Negative / CARE A2+	Revised from CARE A- Stable / CARE A2+ in April 2020 post CoVID-19

### Subsidiaries, Associates and Joint Ventures

As on 31<sup>st</sup> March, 2021, the Company has 3 wholly owned subsidiaries and one Associate. A report on the performance and financial position of each of the subsidiaries and associate has been provided in Form AOC-1 as per Section 129(3) is attached as Annexure A.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements including consolidated financial statements along with relevant documents and separate audited financial statements of subsidiaries are available on the website of the Company [www.asianstargroup.com](http://www.asianstargroup.com)

### 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 20-21 is US \$ 132,674,100 as compared to US \$ 167,651,634 (Previous Year). Profit for the year is US \$ 2,041,118 as compared to US \$ 4,623,682 (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 \$ 17,145,152 for the year as compared to US \$ 20,908,903 (Previous Year). Net Loss after tax for the year is US \$ 5018 as compared to Profit of US \$ 9,870 (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 \$ 852,944 as compared to US \$ 590,486 (Previous Year). Profit after tax is US \$ 44,911 as compared to US \$ 117,293 (Previous Year).

### Associates

#### Shah Manufacturers

Shah Manufacturers engaged in processing of diamond on job work basis. Gross Operating revenue for Current year is Rs. 3100 lacs as compared to Rs. 4,401 lacs (Previous Year). Profit after tax Rs. 10.29 lacs as compared to Rs. (23.54) lacs (Previous year).

### Joint Venture

#### Ratnanjali Infra LLP

Ratnanjali Infra LLP engaged in construction of commercial and residential complexes in Ahmedabad, Gujarat. The project is expected to get complete in next financial year.

There has been no change in the nature of business of the subsidiaries and associate 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, as required in terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this 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.

### Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as part of the Annual Report.

### Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

There have been no other material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2021 and the date of this Report, other than those disclosed in this Report. There has been no change in the nature of business of your Company.

### Annual Return

The Annual Return in Form MGT-7 for the financial year ended 31<sup>st</sup> March, 2021, is available on the website of the Company at [www.asianstargroup.com](http://www.asianstargroup.com)

### Unclaimed Dividend and Shares

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 these 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. 1,137/- 88 shares were transferred to IEPF during the year 2020-21. 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).

### Directors and Key Managerial Personnel

#### A. Directors:

##### Re-Appointment

Pursuant to the recommendation of Nomination and Remuneration Committee at its meeting held on 30<sup>th</sup> July, 2020, the Board of your Company at its meeting held on 30<sup>th</sup> July, 2020 has recommended the re-appointment of Mr. Vipul P. Shah, Managing Director, Mr. Arvind T. Shah and Mr. Priyanshu A. Shah, whole time Director for the further term of five years w.e.f 1<sup>st</sup> January, 2021 subject to the your approval. The Members of your Company at the 26<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2020 approved the re-appointment of Mr. Vipul P. Shah as Managing Director and Mr. Arvind T. Shah and Mr. Priyanshu A. Shah as a Whole time Director for further term of five years w.e.f 1<sup>st</sup> January, 2021. Also the Members of your Company at the 26<sup>th</sup> Meeting had appointed Mr. Jayantilal D Parmar non Executive Independent for the first term of five years w.e.f 13<sup>th</sup> November, 2019.

##### Re-Designation

In accordance with provision of Companies Act 2013 and other applicable provisions, Mr. Priyanshu A. Shah has resigned from the position of Whole-time Director w.e.f 1<sup>st</sup> April, 2021. He will continue on the Board of your Company as Non-Executive Non-Independent Director. He will not be drawing any remuneration as a non executive Director w.e.f 1<sup>st</sup> April, 2021.

Except above, there is no change in the composition of the Board of Your Company during the year 2020-21.

#### B. 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: Chief Executive Officer and Managing Director
3. Ms. Sujata D. Nadgouda: Company Secretary & Compliance Officer

There is no change in the Key Managerial Personnel (KMP) of your Company during the year 2020-21. Pursuant to Section 152 of the Companies Act, 2013 and Article 153(a) of the Articles of Association of the Company, Mr. Arvind T. Shah (DIN: 0004720), Whole Time Director and Mr. Priyanshu A. Shah (DIN: 00004759), Non-Executive Non- Independent Director retires by rotation at the 27<sup>th</sup> Annual General Meeting of the Company and being eligible has offered themselves for re-appointment. The Board has recommended their re-appointment at the forthcoming Annual General Meeting as a whole time Director & Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

Brief resume and other details of Mr. Arvind T. Shah and Mr. Priyanshu A. Shah in terms of Regulation 36(3) of SEBI LODR and Secretarial Standards on General Meeting, are provided in the Corporate Governance Report forming part of the Annual Report. Both these Directors are related to each other. Both the abovementioned Directors are not disqualified from being re-appointed / appointed as Directors by virtue of the provisions of Section 164 of the Companies Act, 2013.

The performance evaluation of Non-Independent Directors and the Board as a whole, Committees thereof and Chairman of the Company was carried out by Independent Directors. Pursuant to the provisions of the Act, the Nomination & Remuneration Committee (NRC) specified the manner of effective evaluation of the performance of the Board, its Committees and individual Directors. In terms of manner of performance evaluation specified by the NRC, the performance evaluation of the Board, its Committees and individual Directors was carried out by NRC and the Board of Directors. Further, pursuant to Schedule IV of the Act and Regulation 17(10) of the SEBI LODR, the evaluation of Independent Directors was done by the Board of Directors. For performance evaluation, structured questionnaires, covering various aspects of the evaluation such as adequacy of the size and composition of the Board and Committee thereof with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties, Corporate Governance practices, etc. were circulated to the Directors for the evaluation process. All Directors unanimously expressed that the evaluation outcome reflected high level of engagement of the Board of Directors and its committees amongst its members with the Company and its management and that they are fully satisfied with the same.

The Company has received declarations from each of the Independent Directors confirming that they meet the criteria of independence as provided in the Companies Act, 2013 and SEBI LODR. The declarations also confirm compliance with sub-rule 1 and 2 of Rule 6 of the Companies (Appointment and Qualifications of Directors) Fifth Amendment Rules, 2019.

#### C. Board Independence:

Our definition of 'Independence' of Directors is derived from SEBI(LODR) Regulations and Section 149(6) of the Companies Act, 2013.

The following Non-Executive Directors are Independent:-

1. Mr. K. Mohanram Pai
2. Mr. Apurva Shah
3. Mr. Milind Gandhi
4. Mr. M. R. Nayak
5. Mrs. Neha Gada
6. Mr. Jayantilal Parmar

#### D. Declaration by Independent Director(s)

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. Further, all necessary declarations with respect to independence have been received from all the Independent Directors and also received the confirmation that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. The terms and conditions for the appointment of the Independent Directors are given on the website of the Company.

### Board Meetings

During the year, four (4) Board Meetings were convened and held, the details of which are given in the "Report on Corporate Governance", a part of this Annual Report.

### Policy on Board Diversity and Director's Appointment and Remuneration Policy

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 governs 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, 2021, the Board had 12 members, 5 of whom are Executive members, 1 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 <https://asianstargroup.com/corporate-governance.aspx>

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 Seven Committees of the Board, as follows:

- Audit Committee
- Finance Committee
- Corporate Governance Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Risk Management 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 individually (including Independent Directors) as well as the evaluation of the working of its Committees. The Independent Directors in their Meeting have evaluated the performance of Non-Independent Directors and the Board as a whole and Chairman of the Board. The criteria of evaluation are described in the 'Report on Corporate Governance, a part of this Annual Report.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure for the performance evaluation process for the Board, its Committees and Directors. The evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation parameters and the process have been explained in the Corporate Governance Report.

### Familiarisation Programme of Independent Directors

All new independent directors inducted into the Board attend an orientation program known as Familiarisation Programme, which is for 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 website of your Company [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 B.

### Particulars of Employees and Remuneration

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 C 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

The Shareholders of the Company at the 23rd Annual General Meeting of the Company held on 28th September, 2017 had appointed M/s Mahendra Doshi & Associates, Chartered Accountants, (Firm Registration Number 105765W) are the statutory auditors of the Company to hold office until the conclusion of the 28th Annual General Meeting to be held in the calendar year 2022 to conduct the audit of the Accounts of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

As required under the provisions of Section 139(1) and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the auditors to the effect that they are eligible to continue as Statutory Auditor of the Company.

The notes of the financial statements referred to in the Auditors' Report issued by M/s Mahendra Doshi & Associates, Chartered Accountants, Mumbai for the financial year ended on 31<sup>st</sup> March, 2021 are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### 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, 2020 has appointed M/s V. L. Tikmani and Associates, to undertake the Internal Audit of the Company for the year ended March 31, 2021.

#### c. Secretarial Auditor

Pursuant to provision of section 204 of the Companies Act, 2013 and rules made thereunder, the board has appointed M/s 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, 2021. The Secretarial Audit Report is annexed as Annexure D 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

Due to lockdown and various restrictions imposed on account of COVID pandemic in the first half of the financial year, the procedural formalities as to the transfer of an amount of relating to sale proceeds of fractional shares arising out of issuance of bonus shares started late. It has further delayed due to non receipt of the required statement from the Bank

#### Response to point No. 2

Director Identification Number (DIN) of three directors was deactivated in 2017-18 due to non filing of financial statements and annual report by a private limited company where they were directors. Their DIN stands activated since May 2018 after necessary compliances. The Directors of the Company shall ensure the compliance of all the applicable provisions of the Act even in respect of their directorship in other Companies in future.

#### Response to point No. 3

The Company has already appointed an Independent director as required. However, the procedural formalities required as per UAE authorities have been delayed as a result of lockdown imposed due to COVID-19 pandemic. The Management is committed to complete the necessary procedures as soon as possible.

### Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statement provided in this Annual Report.

### Related Party Transactions

All Related Party Transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no material significant related party transaction made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large.

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 "Policy on materiality of and on dealing with related party transactions" (as amended) as approved by the Board may be accessed on the Company's website at the link [www.asianstargroup.com](http://www.asianstargroup.com).

The Directors draw attention of the members to note no. 35 to the standalone financial statement which sets out related party disclosures.

### 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

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 2020-21, the Company has generated 153.07 lacs kwh resulting in the sales of Rs.449 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. 104,176 lacs in foreign exchange by way of exports, dividend and commission and has spent Rs. 68,780 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.

The particulars in respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act read with the Companies (Accounts) Rules, 2014 are appended as Annexure E to this Report.

### 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.

### Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Audit Committee of the Board reviews the internal control systems including internal financial control system, the adequacy of internal audit function and significant internal audit findings with the management, Internal Auditors and Statutory Auditors.

### Risk Management

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.



The provisions of Regulation 21 of SEBI LODR became applicable and therefore, the Board at its meeting held on 14<sup>th</sup> May, 2021 constituted the Risk Management Committee consisting Mr. Vipul Shah, Managing Director & CEO, Mr. Rahil V. Shah, Director and Mr. Jayantilal D. Parmar, Independent Director. The role of the committee inter alia, includes, formulation, overseeing and implementation of risk Management policy, business continuity plan, and to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

### Listing

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. The Company has paid listing fees for the year 2020-21.

### 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 on Preservation of Documents and Archival Policy
- 15) Fair disclosure
- 16) Policy on Material Related Party Transaction
- 17) Policy on prohibition of Insider Trading

### Special Business

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

Your attention is drawn to that item 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, 2020-21, 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 have 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)

### Details in respect of frauds reported by auditors under sub-regulation (12) other than those which are reportable to the central government

There is no instance 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: 14<sup>th</sup> May, 2021

For and on behalf of the Board

**Dinesh T. Shah**  
Chairman & CFO  
DIN:00004685

ANNEXURE - A

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, 2021.

PART "A": SUBSIDIARIES

(Rs. in lacs)

Sr. No.	Name of the Subsidiary	The Date Since when subsidiary was acquired	Exchange Rate / Reporting Currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turn-over	Profit/(Loss) before tax	Provision for tax	Profit after tax	Proposed Dividend	% of shareholding
1	Asian Star Co. Ltd. (USA)	01.12.1996	1 USD = Rs.73.5047	178.75	415.00	5462.49	5462.49	-	12732.14	1.64	5.36	(3.72)	-	100
2	Asian Star Co. Ltd (Hong kong)	21.11.2011	1 USD = Rs.73.5047	57.40	617.28	3872.88	3782.88	-	669.52	35.22	1.95	33.27	-	100
3	Asian Star DMCC	25.10.2004	1 USD = Rs.73.5047	12.01	38388.20	44376.66	44376.66	-	98263.87	1335.38	-	1335.38	-	100

1. Names of subsidiaries which are yet to commence operations: Not Applicable

2. Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in lacs)

Sr. No	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or required	Shares of Associate/ Joint Ventures held by the Company on the year end			Networth attributable to Shareholding as per latest audited Balance Sheet	Profit or Loss for the year		Description of how there is Significant Influence	Reason why the Associate/ Joint Venture is not consolidated
				No.	Amount of Investment in Associates/ Joint Venture	Extent of Holding %		Considered in Consolidation	Not Considered in Consolidation		
1	Shah Manufacturers	07.05.2021	01.06.2004	-	-	-	-	10.29	N.A.	Note-A	N.A.
2	Ratnanjali Infra LLP	-	14.08.2017	-	272.60	45	-	-	-	Note-B	Since it is a joint venture, Share of profit / loss from the same as per latest Balance Sheet is considered in Profit & Loss Statement

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

Note-B : There is no significant control in business decision.

1. Names of associates or joint ventures which are yet to commence operations: Not applicable

2. Names of associates or joint ventures which have been liquidated or sold during the year: Not applicable

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

For and on behalf of the Board

Place : Mumbai  
Dated: 14<sup>th</sup> May, 2021

Sujata Nadgouda  
Company Secretary

Dinesh T. Shah  
Chairman & CFO

Vipul P. Shah  
Managing Director & CEO

**ANNEXURE - B**

**CORPORATE SOCIAL RESPONSIBILITY**

**1. Brief outline on CSR Policy of the Company.**

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 and other innovative means.

The CSR activities of the Company are aligned with the activities specified in Schedule VII of the Companies Act, 2013.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Arvind T. Shah	Chairman/Executive Director	2	2
2	Mr. Dinesh T. Shah	Member/ Executive Director	2	0
3	Mr. Milind H. Gandhi	Member/ Independent Director	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The weblink for CSR committee composition, CSR Policy and CSR Projects are as under:

CSR Committee Composition	<a href="https://asianstargroup.com/Admin/Upload/Pdf/9310Composition%20of%20Board%20&amp;%20Committees.pdf">https://asianstargroup.com/Admin/Upload/Pdf/9310Composition%20of%20Board%20&amp;%20Committees.pdf</a>
CSR Policy of the Company:	<a href="https://asianstargroup.com/Admin/Upload/Pdf/8108CSR_Policy.pdf">https://asianstargroup.com/Admin/Upload/Pdf/8108CSR_Policy.pdf</a>
CSR Projects	<a href="https://asianstargroup.com/corporate-social-responsibility.aspx">https://asianstargroup.com/corporate-social-responsibility.aspx</a>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not applicable: as the Company does not have an average CSR obligation of Rs. 10 Crores or more in the three immediately preceding financial years.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
..... Not Applicable as no amount is required to be set-off .....			

**6. Average net profit of the company as per section 135(5). Rs. 5,72,037,461/-**

**7. (a) Two percent of average net profit of the company as per section 135(5). Rs. 11,440,749/-**

(b) Surplus arising out of the CSR projects or programme's or activities of the previous financial years. NIL

(c) Amount required to be set off for the financial year, if any NIL

(d) Total CSR obligation for the financial year (7a+7b-7c). Rs. 11,440,749/-

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
11,683,800	NIL	N.A	N.A	NIL	N.A

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
The Company spent the CSR through other charitable trust(s) / implementation agencies												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of Implementation - Direct (Yes/No).	(8) Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1.	Health & Education	Item (i) & (ii)	Yes	Maharashtra	Mumbai	11,00,000/-	No	Rotary Club of Bombay	—
2.	COVID - 19 Relief	Item (vii)	No	All over India	All over India	51,00,000/-	No	Trustees of PM CARES FUND	—
3.	Promotion Of Education	Item (i)	No	Maharashtra	Mumbai	20,00,000/-	No	Palanpur Samaj Kendra Charitable Trust	—
4.	COVID - 19 Relief	Item (i)	Yes	Maharashtra	Mumbai	2,40,000/-	No	TATA Memorial Centre	—
5.	Promotion Of Education	Item (i)	No	Gujarat	Banaskantha	4,00,000/-	No	Sagrosana Kelvani Mandal	—
6.	Education and Child Rehabilitation	Item (ii)	Yes	All over India	All over India	2,43,800/-	No	SOS Children	—
7.	Promotion Of Education	Item (i)	Yes	Mumbai	Mumbai	4,00,000/-	No	Light of Life Trust Village of India	—
8.	Education Of Child Child Rehabilitation	Item (ii)	No	Telangana	Hyderabad	1,00,000/-	No	Udbhav School	—
9.	Promotion Of Education	Item (ii)	No	Gujarat	Sabarbarati, Ahmedabad	20,00,000/-	No	Gurukulam	—
10.	COVID - 19 Relief	Item (i)	No	Gujarat	Surat	1,00,000/-	No	Shri Mahavir Health & Medical Relief Society	—
<b>Total</b>						<b>1,16,83,800/-</b>			

(d) Amount spent in Administrative Overheads: Not applicable

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 1,16,83,800/-

(g) Excess amount for set off, if any: Rs. 2,43,051/-

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	11,440,749/-
(ii)	Total amount spent for the Financial Year	11,683,800/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,43,051/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,43,051/-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	2019-20	-	1,21,31,000	-	-	-	9,35,300
2.	2018-19	-	96,65,000	-	-	-	28,58,134
3.	2017-18	-	60,19,000	-	-	-	59,74,000

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs.).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed /Ongoing.
The Company does not have any ongoing project. The Company has spent CSR through other charitable trust(s) /implementation agencies								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-wise details): Not applicable

(a) Date of creation or acquisition of the capital asset(s)	---
(b) Amount of CSR spent for creation or acquisition of capital asset.	---
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	---
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	---

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Not applicable

For and on behalf of the Board

Place : Mumbai  
Dated: 14<sup>th</sup> May, 2021

Dinesh T. Shah  
Chairman  
& CFO  
DIN:00004685

Arvind T. Shah  
Chairman  
CSR Committee  
DIN:00004720

## ANNEXURE - C

## PARTICULARS OF EMPLOYEES

## 1) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## a) Ratio of Remuneration of Directors to Median Remuneration of Employees:

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY 2020-21, and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2020-21 are as under:

Sr. No	Name of Director	Designation	Remuneration for F.Y. 2020-21	% Increase / (decrease) in FY 2020-21 over the FY 2019-20 (annualised basis)	Ratio of remuneration of each Director / to median remuneration of employees
1	Mr. Vipul P. Shah	CEO & Managing Director	NIL	NA	0.00
2	Mr. Dinesh T. Shah	CFO & Executive Director	NIL	NA	0.00
3	Mr. Arvind T. Shah	Executive Director	NIL	NA	0.00
4	Mr. Priyanshu A. Shah	Executive Director	10,000,000	NIL	34.04%
5	Rahil V. Shah	Executive Director	75,00,000	NIL	25.53%
6.	Dharmesh D. Shah	Non Executive Director	NIL	NA	0.00
7.	Mr. Apurva R. Shah	Non-executive Independent Director	60,000	NA	0.00
8.	Mr. KMR Pai	Non Executive Independent Director	60,000	NA	0.00
9.	Mr. Milind H. Gandhi	Non Executive Independent Director	30,000	NA	0.00
10.	Mr. Miyar R. Nayak	Non Executive Independent Director	60,000	NA	0.00
11	Ms. Neha R. Gada	Non Executive Independent Director	40,000	NA	0.00
12.	Mr. J. D. Parmar	Non Executive Independent Director	40,000	NA	0.00
13.	Ms. Sujata D. Nadgouda	Company Secretary	1,84,713	-2.97	-25.71%

b) Independent directors are paid only sitting fees.

c) The percentage increase in remuneration of non-executive director is not applicable, as no remuneration was paid to them FY 2019-20 and FY 2020-21.

d) In view of the COVID pandemic; none of the Key Managerial Personnel of the Company were paid incremental remuneration for FY 2020-21 and therefore, percentage increase in remuneration in relation to Managing Director & CEO, Chief Financial Officer and Company Secretary is reported Nil. Percentage increase in the managerial remuneration of Mr. Vipul P. Shah, Managing Director & CEO, Mr. Dinesh T. Shah, Chairman & Chief Financial officer and Mr. Arvind T. Shah, Whole Time Director is NIL as they have voluntarily forgone their Remuneration for entire FY 2020-21.

2. The Percentage increase in the median remuneration of employees in the FY 2020-21: The percentage increase in the median remuneration of the employees in the FY 2020-21 was -2.36%. The percentage increase in median remuneration of employees is calculated by including all the employees of Company who were paid remuneration for complete financial year during FY 2020-21.

3. The number of permanent Employees on the rolls of the Company is 986 as on 31<sup>st</sup> March, 2021.

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any : The average percentage increase made in the salaries of total eligible employees other than the Key Managerial Personnel for FY 2020-21 was -2.36% due to cost reduction program, while the average increase in the remuneration of the Company Secretary, Key Managerial Personnel is -2.97 and other key managerial personnel is NIL as they haven't drawn any remuneration in the FY 2020-21.

5. Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## DISCLOSURES AS PER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

Information pursuant to Section 197 of the Companies Act, 2013, read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2021.

Name	Age (Years)	Designation / Nature of Duty	Qualifications	Remuneration (in Rs)	Experience (Years)	Date of Commencement of Employment	Last Employment and Designation	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Dinesh T Shah	81	Chairman & CFO Managerial	B.Sc.	NIL	58	March 7, 1995	Not Applicable	6.25%	As per Disclosure of relationships between directors inter-se as given in Corporate Governance Report.
Vipul P Shah	53	MD & CEO Managerial	B. Com	NIL	34	March 7, 1995	Not Applicable	24.99%	
Arvind T Shah	74	Whole Time Director Administrative	B. Tech	NIL	54	March 7, 1995	Not Applicable	9.90%	

For and on behalf of the Board  
Asian Star Company Limited

Dinesh T. Shah  
Chairman & CFO  
DIN:00004685

Place : Mumbai  
Dated: 14<sup>th</sup> May, 2021

## ANNEXURE - D

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asian Star Company Limited having CIN: L36910MH1995PLC086017 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021 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:

We 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 2021 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, 2018; **Not applicable during the audit period**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable during the audit period**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **Not applicable 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 during the audit period**;
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **Not applicable during the audit period**;

We 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.

We 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. There was delay in transfer of an amount of Rs. 15,000/- relating to sale proceeds of fractional shares arising out of issuance of bonus shares to the Investor Education and Protection Fund and filing of Statement in Form IEPF-1 containing details of such transfer to Investor Education and Protection Fund Authority pursuant to the Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
2. On the basis of information provided to me, Director Identification Number (DIN) of three directors was deactivated in 2017-18 due to non filing of financial statements and annual report by a private limited company where they were directors. Their DIN stands activated since May 2018 after necessary compliances.
3. The procedural formality of filing of necessary form and documents with the requisite local authorities relating to appointment of Independent Director on the Board of unlisted material subsidiary incorporated outside India pursuant to the Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is yet to be completed.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director 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. Consent of the Board of Directors was obtained in cases where Meetings were scheduled by giving notice or agenda papers less than seven days.

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.

We further report that during the audit period, the Company has not undertaken any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, acts, rules, regulations, circulars, notifications, directions, guidelines, standards, etc.

Note: This Report is to be read with our Letter of even date which is annexed and forms an integral part of this report.

**For Yogesh D Dabholkar & Co.,**  
Practicing Company Secretary

**Yogesh D Dabholkar**  
Proprietor  
FCS No: 6336  
COP No: 6752  
UDIN: F006336C000309661

Place : Dombivli  
Dated: 14<sup>th</sup> May, 2021

## ANNEXURE

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

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believed that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. Due to COVID-19 outbreak and Lockdown situation, in respect of part of the Audit, we have relied on the information, details, data, documents and explanation as provided by the Company and its officers and agents in electronic form without physically verifying their office.
7. 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 Secretary

**Yogesh D Dabholkar**  
Proprietor  
FCS No: 6336  
COP No: 6752  
UDIN: F006336C000309661

Place : Dombivli  
Dated: 14<sup>th</sup> May, 2021

## ANNEXURE - E

**INFORMATION PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013, READ WITH THE RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****(A) Conservation of energy:**

- (1) **The steps taken or impact on conservation of energy:** Company constantly reviews the consumption of the electricity and its rationalization.
- 2) **The steps taken by the company for utilising alternate sources of energy:** The Company has been pursuing generation of energy from wind power through establishment of Wind Turbine Generators (WTGs) since 2006.
- 3) **The capital investment on energy conservation equipments:** NIL during the year.

**(B) Technology absorption:**

- (1) **The efforts made towards technology absorption:** The Company has continued its endeavor to absorb the best of technologies for its products.
- 2) **The benefits derived like product improvement, cost reduction, product development or import substitution:** Not Applicable
- 3) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**
  - (a) **The details of technology imported:** None
  - (b) **The year of import:** Not applicable
  - (c) **Whether the technology been fully absorbed:** Not applicable.
  - (d) **If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:** Not applicable
- 4) **The expenditure incurred on Research and Development:** NIL

**(C) Foreign exchange earnings and Outgo:****The Foreign Exchange earned in terms of actual inflows during the year:**

Rs. 104,176 lacs in foreign exchange by way of exports, dividend and commission.

**The Foreign Exchange outgo during the year in terms of actual outflows:**

Rs. 68,780 lacs for the import of raw materials, machinery & consumables, foreign travel, repairs and maintenance.

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# REPORT ON CORPORATE GOVERNANCE



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2020-2021

The report on Corporate Governance is pursuant to regulation 34(3) read with Schedule V (C) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Company has complied with the applicable requirements of the SEBI (LODR) and amendments thereto.

### (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.

### (II) Board of Directors:

#### a) Composition and Category:

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 31.03.2021 is comprised of total twelve directors. The Company has a Promoter Executive Chairman, five executive Director, one non executive non independent Director and six Independent Directors i.e. half of the total number of Directors on its Board. The Composition of the Board of Directors includes five Executive Directors, six Non-Executive Independent Directors (including one Independent Women Director and one Non-Executive Non-Independent Director).

The Director collectively have the desired diversity and optimal mix of knowledge and expertise from diverse fields, possess the requisite qualifications and experience which enable them to discharge their responsibilities, provide effective leadership to the business and enhance the quality of the Board's decision making process.

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

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

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

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"). 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 reviews the compliances applicable to the Company at regular interval. Steps are taken by the Company to rectify instances of non-compliance, if any.

The Board of Directors met Four times during the Financial Year 2020-21. The Board meetings were held on 30.07.2020, 15.09.2020, 06.11.2020 and 09.02.2021. The necessary quorum was present during all the meetings.

The Board also reviews developments in the Industry, performance of the Company, future outlook and strategies, annual capital expenditure requirements, remuneration of Executive Directors, compliance with Statutory/ Regulatory requirements, adoption of quarterly / half-yearly / annual results, risk management policies, investors' grievances, borrowings and investments, major accounting provisions and writeoffs, minutes of meetings of the Committees of the Board, CSR spends, plan and its review, etc. The Board reviews compliance with the requirements of various Statutes, Regulations and Rules applicable to the business of the Company.

#### b) Attendance of Board of Directors:

Name of the Directors	DIN	Category	Board Meetings attended	Last AGM attendance
Dinesh T. Shah	00004685	Promoter Executive Chairman	1	No
Arvind T. Shah	00004720	Promoter Executive Director	2	Yes
Dharmesh D. Shah	00004704	Promoter Non Executive Director	1	No
Vipul P. Shah	00004746	Promoter Executive Director	4	Yes
Priyanshu A. Shah	00004759	Promoter Executive Director	3	Yes
Rahil V. Shah	06811700	Executive Director	3	Yes
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
Miyar R. Nayak	03352749	Independent - Non Executive Director	3	Yes
Neha Rajen Gada	01642373	Independent - Non Executive Director	4	Yes
Jayantilal D. Parmar	07440353	Independent - Non Executive Director	4	Yes

- Mr. Priyanshu A. Shah has been re-designated from Whole time Director to Non-Executive Director Non Independent Director of the Company w.e.f 1<sup>st</sup> April, 2021.
- Due to COVID-19 pandemic and consequent relaxation granted by Ministry Of Corporate Affairs ("MCA") and Securities Exchange Board of India ("SEBI"), all the Board meetings in financial year were held through video conferencing.

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

Name of the Directors	DIN	Category	No. of directorships in other public limited companies	No. of Board Committee ** of which he is a member	No. of Board Committee ** of which he is 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	1	-	-
Priyanshu A. Shah	00004759	Promoter Executive Director	-	-	-
Rahil V. Shah	06811700	Executive Director	-	-	-
K. Mohanram Pai	00007198	Independent - Non Executive Director	1	-	4
Apurva R. Shah	00004781	Independent - Non Executive Director	3	2	2
Milind H. Gandhi	01658439	Independent - Non Executive Director	1	-	1
Miyar R. Nayak	03352749	Independent - Non Executive Director	2	1	-
Neha Rajen Gada	01642373	Independent - Non Executive Director	3	4	-
Jayantilal D. Parmar	07440353	Independent - Non Executive Director	-	-	-

\*\* 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 of the Directors	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	Non-Executive - Independent Director
Apurva R. Shah	00004781	Steel Cast Limited	Non-Executive - Independent Director
		Fine-Line Circuits Limited	Non-Executive - Independent Director
Milind H. Gandhi	01658439	Glance Finance Limited	Non-Executive - Independent Director
Miyar R. Nayak	03352749	P C Jeweller Limited	Non-Executive - Independent Director
		TARC Limited	
Neha Rajen Gada	01642373	Tamboli Capital Limited	Non-Executive - Independent Director
		Anglo-French Drugs & Industries Limited	
		Lykis Limited	
Jayantilal D. Parmar	07440353	NIL	NA

#### e) Profile of Directors seeking Re-appointment:

Pursuant to Section 152 of the Companies Act, 2013 and Article 153(a) of the Articles of Association of the Company, Mr. Arvind T. Shah (DIN: 00004720), Whole Time Director and Mr. Priyanshu A. Shah (DIN: 00004759), Non-Executive Non- Independent Director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, has offered themselves for re-appointment for the office of the Whole Time Director and Non Executive Director of the Company respectively.

The resolution for Re-appointment of Directors along with their profile as required under Regulation 36(3) of the Listing Regulations has been appropriately included in the Notice of AGM forming part of this Annual Report.

**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
7.	Vipul Prabodh Shah, Dharmesh Dinesh Shah & Priyanshu Arvind Shah	Cousin Brothers
8.	Dharmesh Dinesh Shah & Rahil Vipul Shah	Uncle & Nephew
9.	Priyanshu Arvind Shah & Rahil Vipul 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 Familiarisation programme for Independent Directors is disclosed on the Company's website ([www.asianstargroup.com](http://www.asianstargroup.com)) under Corporate Governance segment.

**i) A Chart/ Matrix setting out the skills/expertise/competence of the Board of Directors:**

In terms of the requirements of the SEBI listing Regulations, 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 / competences have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership, Production and Marketing, Strategic Planning, Operational Experience.
- Industry Experience, Research and Development and Innovation, Global Business, Sales and Marketing.
- Financial, Regulatory / Legal & Risk Management, New Technology.
- Banking Experience, Financial Matters, direct taxation, Inbound and Outbound Investments, FEMA regulations, Foreign exchange management.
- Retail & International Banking, Treasure Operations.
- Corporate Governance, specialise in SEBI regulations, LODR, Corporate Restructuring.
- International Business, Credit & Banking Operations

The Core skills/expertise/competencies possessed by the Directors who were part of the Board as on March 31, 2021, are as follows:

Name of Director	Core Skill/ Expertise
Dinesh T. Shah	Leadership, Production, Strategic Planning, Operational Experience.
Arvind T. Shah	Industry Experience, Research and Development, Innovation and Corporate Governance
Dharmesh D. Shah	Global Business, Research and Development, Sales and Marketing
Vipul P. Shah	Business Strategy, Leadership, Banking and Financial Expertise, Treasury Operations and Operational experience
Priyanshu A. Shah	Research and Development, Production, Global Business and Innovation, Sales and Marketing
Rahil V. Shah	Material Sourcing and Production, Regulatory / Legal & Risk Management, New Technology & Innovations
K. Mohanram Pai	Banking Experience and Financial Matters
Apurva R. Shah	Direct Taxation, Financial Management, Regulatory & Legal Compliances
Milind H. Gandhi	Taxation, Inbound and Outbound Investments, FEMA regulations.
Miyar R. Nayak	Retail & International Banking, Treasury Operations and Risk Management.
Neha Rajen Gada	Corporate Governance, specialise in SEBI regulations, LODR, Corporate Restructuring
Jayantilal D. Parmar	International Business, Credit & Banking Operations

The Directors collectively have the desired diversity and optimal mix of knowledge and expertise from diverse fields, possess the requisite qualifications and experience which enables them to discharge their responsibilities, provide effective leadership to the business and enhance the quality of the Board's decision making process.

**j) Independent Directors:**

All the 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 Act, Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. The Independent Directors of the Company are not inter-se related to each other.

**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 13, 2021 without presence of Executive Directors and Management representatives. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Management of the Company.

The Independent Directors at the said meeting

- reviewed the performance of Non-Independent Directors and the Board as a whole;
- reviewed the performance of Chairman of the Company based on the views of Executive and Non-Executive Directors;
- assessed 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.

**l) 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 Companies Act, 2013.
  - 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.
  - Establishing & reviewing functioning of the Whistle Blower Mechanism.
  - Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015
- 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 Director, Non-Executive	3
Mr. Apurva R. Shah	Member	Independent Director, Non-Executive	4
Mr. Miyar R. Nayak	Member	Independent Director, Non-Executive	2
Mr. Arvind T. Shah	Member	Executive Director	2

During the year 4 (Four) meetings were held and necessary quorum was present during the all meetings.

Dates of the meetings: 30.07.2020, 15.09.2020, 06.11.2020 and 09.02.2021.

The previous Annual General Meeting of the Company which was held on September 30, 2020 was attended by Chairman of the Audit Committee.

Due to COVID-19 pandemic and consequent relaxation granted by MCA and SEBI, all the Audit Committee meetings in financial year were held through video conferencing.

#### 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. Miyar R. Nayak	Chairman	Independent Director, Non-Executive	2
Mr. Milind H. Gandhi	Member	Independent Director, Non-Executive	1
Mr. Apurva R. Shah	Member	Independent Director, Non-Executive	2

During the year 2 (Two) meetings were held and necessary quorum was present during both the meetings.

Date of the Meetings: 30.07.2020 & 06.11.2020.

Due to COVID-19 pandemic and consequent relaxation granted by MCA and SEBI, all the Nomination & Remuneration Committee meetings in financial year were held through video conferencing.

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.

#### Remuneration of Directors

Remuneration to Directors is based on various factors like Company's size, global presence, economic and financial position, Directors participation in the Board & Committee Meetings. Based on the same payment of remuneration to all the Executive Directors is recommended by the Nomination & Remuneration Committee reviewing the abilities and contribution of the individual Directors. Independent Directors are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings within the limits prescribed under the Act. Pecuniary relationship and transaction with Non-Executive Director mentioned in financial statements of the company. There is no payment made to non executive non independent director. Company does not pay any commission to any director.

The details of actual payments made during the financial year 2020-21 to the Executive Directors of the Company are given below:

Name	Designation	Gross Salary (Rs.)
Mr. Dinesh T. Shah	Executive Chairman & CFO	NIL*
Mr. Vipul P. Shah	CEO & Managing Director	NIL*
Mr. Arvind T. Shah	Executive Director	NIL*
Mr. Priyanshu A. Shah	Executive Director	1,00,00,000
Mr. Rahul V. Shah	Executive Director	75,00,000

# Designation of Mr. Priyanshu A. Shah re-designated from Executive Director to Non-Executive Director of the Company w.e.f 1<sup>st</sup> April, 2021.

\* In view of the severe Pandemic situation due to COVID-19 and resulting lockdown in the entire country during the financial year 2020-21 affecting the business and profitability, Mr. Dinesh T. Shah, Chairman & CFO, Mr. Vipul P. Shah, Managing Director & CEO and Mr. Arvind T. Shah, Director of the Company, had voluntarily foregone their remuneration for the entire Financial Year of 2020-21.

During the Financial Year 2020-21, the company has paid sitting fees to Non-Executive Independent Directors as detailed below:-

Name	Designation	Sitting Fees (Rs.)
Mr. K. M. Pai	Independent Director	60,000
Mr. Miyar R. Nayak	Independent Director	60,000
Mr. Apurva Shah	Independent Director	60,000
Mr. Milind H. Gandhi	Independent Director	30,000
Mr. Neha Gada	Independent Director	40,000
Mr. Jayantilal D. Parmar	Independent Director	40,000

### Term of Reference

The terms of reference of the Nomination and Remuneration Committee are:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

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 fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning. Criteria for board evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, performance of the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the CEO & Managing Director. Criteria for evaluation of performance of the Committees of the Board include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

### 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	Category	No. of Committee Meetings Attended
Mr. K. Mohanram Pai	Chairman	Independent Director, Non-Executive	2
Mr. Apurva R. Shah	Member	Independent Director, Non-Executive	2
Mr. Arvind T. Shah	Member	Executive Director	0

The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting Company.

The Company Secretary acts as Secretary to the Committee.

During the year 2 (Two) meetings were held and necessary quorum was present during both the meetings.

Date of the Meetings: 30.07.2020 and 06.11.2020.

Due to COVID-19 pandemic and consequent relaxation granted by MCA and SEBI, all the Stakeholder Relationship Committee meetings in financial year were held through video conferencing.

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 Exchange 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.

During the year under review, the company or its Registrar Transfer Agent received the following compliant/grievance received and resolved to the satisfaction of the Shareholders by the Company during the year is given below:

No. of queries/complaints	Received	Redressed	Unresolved
Non-receipt of Dividend Warrant	0	0	0
SEBI/Stock Exchange Letter	0	0	0
Miscellaneous	0	0	0
Total	0	0	0

### Company Secretary and Address for Correspondence

Name & Designation	Telephone Number	Email - id	Fax No.
Sujata Deepak Nadgouda (Company Secretary & Compliance Officer)	+9122 - 62444111	secretarial@asianstargroup.com	+9122 - 22842427

### d) Corporate Governance Committee

The following are the committee members:

Name	Designation
Mr. Miyar R. Nayak	Chairman
Mr. K. Mohanram Pai	Non Executive Director
Mr. 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
Mr. Dinesh T. Shah	Chairman
Mr. Vipul P. Shah	Executive Director
Mr. Arvind T. Shah	Executive Director
Mr. Priyanshu A. Shah	Executive Director
Mr. Rahil V. Shah	Executive Director

\*Mr. Priyanshu A. Shah has been re-designated from Whole time Director to Non-Executive Director Non Independent Director of the Company w.e.f 1<sup>st</sup> April, 2021.

**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 2020-21 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
Mr. Arvind T. Shah	Executive Director	Chairman	2
Mr. Dinesh T. Shah	Chairman & CFO	Member	0
Mr. Milind H. Gandhi	Independent Director	Member	2

During the year 2 (Two) meetings were held and necessary quorum was present during both the meetings.

Date of the Meetings: 30.07.2020 and 06.11.2020

**g) Risk Management Committee**

The provisions of Regulation 21 of SEBI LODR became applicable and therefore, the Board at its meeting held on 14<sup>th</sup> May, 2021 constituted the Risk Management Committee consisting Mr. Vipul Shah, Managing Director & CEO, Mr. Rahil V. Shah, Director and Mr. Jayantilal D. Parmar, Independent Director.

The role of the committee inter alia, includes, formulation, overseeing and implementation of Risk Management policy, business continuity plan, and to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

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

- review & monitoring of Risk Management policy, risk management plan and risk management process from time to time;
- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken ;

The draft of the risk management policy was placed before the Board for its approval. The Board has suggested some changes, with the modified draft of the policy shall be placed before the Board at the next meeting for its approval.

**Composition**

The composition of the Risk Management Committee is given below:

Name	Designation	Category
Mr. Vipul P. Shah	Managing Director & CEO	Chairman
Mr. Rahil V. Shah	Executive Director	Member
Mr. Jayantilal D. Parmar	Independent Director	Member

**(IV) General Body Meetings:**

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

Year	Venue	Date	Time
2017-18	Sangam Hall, Mumbai	September 25, 2018	4.00 pm
2018-19	Sangam Hall, Mumbai	September 27, 2019	4.00 pm
2019-20	Through Video Conferencing	September 30, 2020	4.00 pm

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

Date of the Meeting	Summary of special resolution
September 25, 2018	Setting of investment limits under Section 186 of the Companies Act, 2013 for loans and investment. 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 a 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 a 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.
September 27, 2019	Approval under section 196, 197, 198 of Companies Act, 2013 approval of Shareholder for remuneration of Executive Director. Approval for appointment of Mrs. Neha Gada for 2 <sup>nd</sup> Term as an Independent Director. Approval of Shareholder under Reg 17(6)(e) of SEBI (LODR) Regulation, 2015 for payment of remuneration in excess of 2.5% of Net Profit.
September 30, 2020	Re-appointment of Mr. Vipul P. Shah (DIN: 00004746) as Chief Executive Officer & Managing Director. Re-appointment of Mr. Arvind T. Shah (DIN: 00004720) as a Whole-time Director Re-appointment of Mr. Priyanshu A. Shah (DIN: 00004759) as a Whole-time Director. 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.

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 Financial Express and Mumbai Lakshdeep. The Company also sends financial results to Stock Exchange immediately after its approval by the Board in terms of the requirements of the Listing Regulations. Company displays its results and official news releases on the Company's website: [www.asianstargroup.com](http://www.asianstargroup.com).

**(VI) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Particulars	Number of Complaints
Number of Complaints filed during the financial year	0
Number of complaints disposed-off during the financial year	0
Number of complaints pending at end of financial year	0

**(VII) 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) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website.
- v) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the BSE Limited or SEBI or any statutory authority, on any matter related to capital markets, during the last three years? - None.
- vi) The Company has formulated a mechanism for employees to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. During the year under review, no such report was received. The Company Secretary and Audit Committee acts upon any reporting under Whistle Blower Policy.
- vii) Policy determining Material Subsidiary is disclosed on company's website at <http://www.asianstargroup.com/corporate-governance.aspx>.
- viii) **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 derivative contracts.
- ix) Certificate on Corporate Governance- Annexed herewith.
- x) **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.

- xi) **Compliance Report on Non-mandatory requirements under Regulation 27(1):** The Company has complied with all the mandatory requirements of the Corporate Governance as prescribed in Listing Regulation. Adoption of non-mandatory requirements of Listing Regulation is being reviewed by the Board from time-to-time.
- xii) **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A):** During the year company has not raised any fund through preferential allotment or qualified institutional placement.
- xiii) **Disclosure of non-acceptance of any recommendation of any committee by the Board in the financial year 2020-21 and its reason:** There was no such instance during the FY 2020-21 when board had not accepted any recommendation of any Committee of the Board.
- xiv) **Fees paid to Statutory Auditor:** Details of the total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which statutory auditors is a part are provided in the Notes to accounts of Balance sheet which is forming part of this Annual Report.
- xv) **Compliance of Discretionary Requirements:** The Company has fulfilled the discretionary requirements relating to the financial statements and the same are unqualified.
- xvi) **Practising Company Secretary Certificate on Non-Disqualification of Directors:** A certificate has been obtained from Yogesh D. Dabholkar & Co., a Company Secretary in practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed herewith to this Corporate Governance Report.
- xvii) **Certificate of Compliance from Independent Auditor**  
In terms of Schedule V of the SEBI Listing Regulations, the Certificate of Compliance of conditions of Corporate Governance from Independent Auditor is annexed to this report.
- xviii) **Disclosure of Compliance with the SEBI LODR:** The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Sub-Regulation (2) of Regulation 46 and Schedule V – part C to F of the SEBI LODR

**(VIII) 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 2020-21 and Notice of 27<sup>th</sup> 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 2020-21 will not be sent as per Reg 36(1)(b) due to relaxation provided by SEBI via circular SEBI/HO/CFD/CMD1/CIR/P/2020/79.

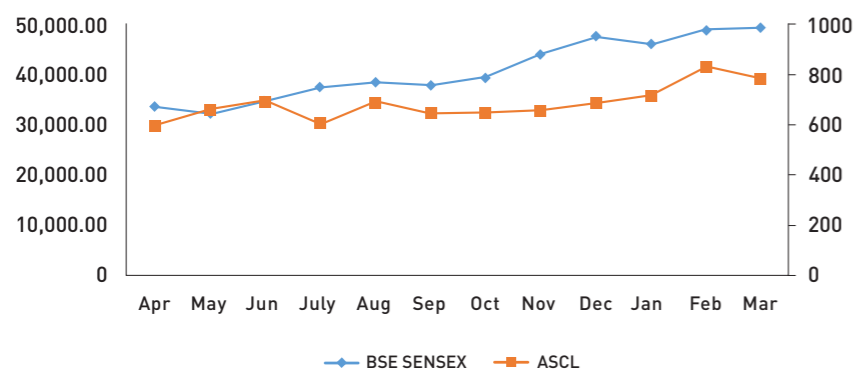
To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form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

**(IX) General Shareholder Information:**

<b>1</b>	<b>Annual General Meeting</b>	
	- Date and Time: September 22, 2021 at 3.00 P.M.	
	- Venue: In accordance with the General Circular issued by MCA on May 5, 2020, the AGM will be held through Video Conferencing / Other Audio Visual means. Reg. Add:- 114-C Mittal Court, Nariman Point, Mumbai - 400021.	
<b>2</b>	<b>Financial Calendar</b>	April - March
	- First quarter	First week of August, 2021
	- Second quarter/Half year	First week of November, 2021
	- Third quarter	First week of February, 2022
	- Audited Annual Results	Last week of May, 2022
<b>3</b>	<b>Book Closure Date</b>	As Mentioned In The Notice of this AGM
<b>4</b>	<b>Dividend Payment Date</b>	The Board of Directors recommended a final dividend of Rs. 1.50 per Equity Share of face value of Rs. 10/- each .The dividend, if approved by the shareholders at the 27th Annual General Meeting would be paid / dispatched within 30 days from the date of AGM. Further, pursuant to the changes implemented by finance Act, 2020 w.e.f 1st April, 2020, this would require to withhold taxes at the prescribed rate on the dividend paid to its shareholders.  As on March 31, 2021, there is an amount of Rs.1470/-, which is unclaimed/unpaid for a consecutive period of seven years from the date of transfer to unpaid dividend account of the Company, hence is liable to be transferred to the Investor Education and Protection Fund.
<b>5</b>	<b>Listing on Stock Exchange at:</b>	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023. Listing fess as applicable has been paid.
<b>6</b>	<b>Stock Code :</b>	531847
<b>7</b>	<b>ISIN number for NSDL &amp; CDSL</b>	INE194D01017
<b>8</b>	<b>CIN No.</b>	L36910MH1995PLC086017

**(X) 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' 20		33717.62	600.00
May' 20		32424.10	664.00
June' 20		34915.80	694.00
July' 20		37606.89	610.00
Aug' 20		38628.29	689.00
Sep' 20		38067.93	649.00
Oct' 20		39614.07	650.00
Nov' 20		44149.72	659.00
Dec' 20		47751.33	690.00
Jan' 21		46285.77	719.00
Feb' 21		49099.99	835.00
Mar' 21		49509.15	787.95

**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' 20	707.00	575.00	October' 20	650.00	586.25
May' 20	710.00	556.00	November' 20	699.00	628.00
June' 20	707.00	630.80	December' 20	749.90	621.00
July' 20	692.00	591.85	January' 21	724.50	645.00
August' 20	689.00	599.00	February' 21	840.00	712.40
September' 20	685.00	591.30	March' 21	889.75	787.95

**(XI) 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

**(XII) Share Transfer System:**

Transfer of shares in electronic form are processed and approved in the electronic form by NSDL /CDSL through their Depository Participant without the involvement of the Company.

**(XIII) Distribution of equity shareholding as on March 31, 2021:**

No. of shares	No. of shareholders	% of Total shareholders	No of shares	% of Total shares
1-5000	469	94.7476	14,537	0.0908
5001-10,000	7	1.4141	4,389	0.0274
10,001-20,000	2	0.4040	2,721	0.0170
20,01-30,00	1	0.2020	2,846	0.0178
100,001 & above	16	3.2323	1,59,82,307	99.8470
<b>Total</b>	<b>495</b>	<b>100.00</b>	<b>1,60,06,800</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, 2021.

**(XIV) Categories of equity shareholding as on March 31, 2021:**

Category	No of shares held	% of total shares held
Promoters	1,19,50,000	74.66
Body Corporates	26,13,987	16.33
Indian Public	23,949	0.15
NRI & OCB's	7,05,387	4.41
FII's	0	0.00
Clearing Member	2	0.00
Insurance Companies	7,13,055	4.45
Investor Education and Protection Fund (IEPF)	420	0.00
Central Government / State Government (S) / President of India	0	0.00
<b>Total</b>	<b>1,60,06,800</b>	<b>100.00</b>



**(XV) Dematerialisation of Shares and Liquidity:**

In terms of the Listing Agreement the Company has tripartite agreement 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, 2021.

Members are requested to convert their physical holdings into electronic holdings which will negate risks associated with physical certificates. Further, pursuant to amendment to SEBI Listing Regulations effective from April 1, 2019, any request for transfer of shares, shall be processed for shares held in dematerialised form only. Therefore, shareholders who are still holding share certificate(s) in physical form are advised to dematerialise their shareholding to facilitate transfers and avail other benefits of dematerialisation, which include easy liquidity, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

Members holding shares in dematerialised form are requested to intimate changes, if any, viz. pertaining to change of address, change in e-mail id, bank details etc. to their Depository Participants while members holding shares in physical form are requested to intimate such changes to Bigshare Services Private Limited, Company's Registrar and Share Transfer Agent.

**(XVI) 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, 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**(XVII) 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 6350109	Sangli, Maharashtra, Dindugul and Coimbatore, Tamil Nadu Pallakad, Kerala

**(XVIII) Members can contact us at our registered office:**

Ms. Sujata Nadgouda  
 Company Secretary & Compliance officer  
 Asian Star Company Limited  
 114-C, Mittal Court,  
 Nariman Point, Mumbai- 400 021.  
 Email: secretarial@asianstargroup.com  
 Tel.: +91 22- 62444111  
 Fax: +91 22- 22842427

**(XIX) List of all Credit rating obtained by the Company:**

Instrument	Type	Amount (Rs. In Crores)	Rating Agency	Rating
Fund- based- LT/ST	Long Term/ Short Term	900.00	CARE	CARE A- Negative / CARE A2+

**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, 2021.

For Asian Star Company Limited

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

Date: 14th May, 2021  
 Place: Mumbai

**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, 2021 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.

Dated: 14th May, 2021  
Place : Mumbai

**VIPUL P. SHAH**  
CEO & Managing Director  
DIN - 00004720

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

**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, 2021 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, as applicable for the financial year ended on 31<sup>st</sup> March, 2021 except in respect of matters specified below:

1. Regulation 24(1) of LODR: During the financial year 2019-20, the Company has appointed one Independent Director on the Board of material subsidiary incorporated outside India. The procedural formality relating to filing of Form and documents by the unlisted overseas subsidiary towards the abovesaid appointment is yet to be completed.

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  
UDIN: 21041316AAAIS1079

Date: 14th May, 2021  
Place: Mumbai

**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

We 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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 information provided to us, Director Identification Number (DIN) of three directors was deactivated in 2017-18 due to non filing of financial statements and annual report by a private limited company where they were directors. Their DIN stands activated since May 2018 after necessary compliances.

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.	Miyar Ramanath Nayak	03352749	17/01/2014
11.	RahilVipul Shah	06811700	17/01/2014
12.	Jayantilal Dudhabhai Parmar	07440353	13/11/2019

\* the date of appointment is as per the MCA Portal.

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  
FCS No. 6336  
COP No. 6752  
UDIN:F006336C000309727

Date: 14th May, 2021  
Place: Mumbai

## BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34 (2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015]

### Section A: General Information about the Company:

1. **Corporate Identity Number (CIN) of the Company:** L36910MH1995PLC086017
2. **Name of the Company:** Asian Star Company Limited
3. **Registered Address:** 114-C, Mittal Court, Nariman Point, Mumbai - 400021, Maharashtra
4. **Website:** www.asianstargroup.com
5. **E-mail id:** secretarial@asianstargroup.com
6. **Financial year reported:** 1st April, 2020 - 31st March, 2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**  
Cut & Polished Diamonds and Diamond Studded Jewellery - (NIC) Code 3691
8. **Key products/ services that the Company manufactures/ provides (as in balance sheet):**
  - i. Cut & Polished Diamonds
  - ii. Diamond Studded Jewellery
9. **Total number of locations where business activity is undertaken by the Company**
  - a. **Number of International Locations (furnish details of major 5):**  
The Company has wholly owned subsidiaries in USA, UAE and Hong Kong. Beside this it caters to all the major markets of Gems and Jewellery through marketing arms.
  - b. **Number of National Locations:** The Company has sales office at 7 locations and 3 manufacturing facilities.
10. **Markets served by the Company:** The Company sells its product across 30 countries in the world. It also serves markets across India.

### Section B: Financial details of the company

1. **Paid up Capital (INR) :** As at March 31, 2021 the paid up equity share capital of the Company stood at Rs. 160,068,000 consisting of 16,006,800 equity shares of Rs. 10 each.
2. **Total Turnover (INR) :** The total turnover of the Company for financial year 2020-21 on Standalone basis is Rs. 168,739.84 lakhs
3. **Total profit after taxes (INR):** The net profit of the Company for financial year 2020-21 on standalone basis is Rs. 5,282.29 lakhs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Rs. 116.83 Lakhs which exceeds 2% of the average net profit of the Company for the last 3 years. Which is about 2.21 % of profit after tax (standalone)
5. **List of activities in which expenditure in 4 above has been incurred:**  
Please refer Annexure C to the Board's Report.

### Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**  
Yes
2. **Do the subsidiary company/ Companies participate in BR Initiatives of the Parent Company?**  
No
3. **Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR, initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30 %, 30-60 % More than 60%]**  
No

### Section D: BR Information

1. **Details of Director/ Directors responsible for implementation of the BR Policies.**
  - a. **Details of the Director / Director responsible for implementation of the BR policy /policies**
    - i. Name : Arvind T. Shah
    - ii. DIN Number : 00004720
    - iii. Designation : Wholetime Director

### b. Details of the BR Head

- i. Name : Jaykant Rathod
- ii. Designation : HR Head
- iii. Telephone No. : 022 6244 4111
- iv. Email Id : jaykant@asianstargroup.com

### 2. Principle-wise ( as per National Voluntary Guidelines ) BR Policy/ policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ( NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1: Ethics, Transparency and Accountability (P1)

Principle 2 : Policy on Product Lifecycle Sustainability (P2)

Principle 3 : Policy on Wellbeing of employees (P3)

Principle 4 : Policy on Stakeholders Engagement (P4)

Principle 5 : Policy on Protection and Promotion of Human Rights (P5)

Principle 6 : Policy on Protection of Environment (P6)

Principle 7 : Policy on Responsible Advocacy (P7)

Principle 8 : Policy on Inclusive growth and Equitable Development (P8)

Principle 9 : Policy on Customer Value (P9)

**a. Details of compliance (Reply in Y/N)**

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for above principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The Spirit and intent of the policies is to ensure that all applicable national and international laws as well as international conventions are captured in the policies.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://www.asianstargroup.com/corporate-governance.aspx">https://www.asianstargroup.com/corporate-governance.aspx</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy /policies to address stakeholder's grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**3. Governance related to BR**

**a. The frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.**

BR performance of the Company was assessed annually. BR performance for the financial year ended 31st March, 2020 was assessed in Board Meeting held on 30th July, 2020.

**b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Business Responsibility report is available at <https://asianstargroup.com/annual-reports.aspx>

**Section E: Principle-Wise Performance**

**Principle 1:**

**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the group/ Joint Venture/ Suppliers/ Contractors/ NGO's/ Others?**

No. The Policy extends to group, suppliers, contractors, joint ventures and others. Company's Whistle Blower policy encourages employees to bring to notice of committee any instance of unethical behavior, suspected or actual fraud or violation of company's code of conduct. Company's policy is to provide full, fair, accurate and timely disclosure of information to statutory authorities.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the FY 2020-21, Company has not received any Complaint from stakeholders.

**Principle 2:**

**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

**1. List up to 3 of yours products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.**

The Two product categories, i.e. Diamonds and Diamond Studded Jewellery have incorporated social and environmental concerns in their system as part of their operations. We provide products with ethical sourcing assurance such as DRC free gold and conflict free diamonds. Further quality of diamond and purity of gold is always mentioned on product or its supporting documents. Our organization is compliant with International Standards such as Responsible Jewellery council certifications and Best Practice Principles Programs by De Beers which broadly covers ethical, social, Health, Safety and Environment adherence.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional)**

**a. Reduction during sourcing / production/ distribution achieved since the previous year throughout the value chain?**

**b. Reduction during usage of consumers (energy, water) has been achieved since the previous year**

With reference to a and b, the activity of the Company does not require large scale consumption of energy. Nevertheless the Company has been pursuing generation of energy from wind power through establishment of Wind Turbine Generators (WTGs) since 2006.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

The Company believes in sustainable growth of all the stakeholders. It follows the philosophy of investing time and efforts in building mutually beneficial relationships with all its supply chain partners - the vendors and the contractors to whom the work is outsourced.

**4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. Our Company is out sourcing the diamonds cutting and polishing from various small scale units scattered in Gujarat and Maharashtra. This initiative has helped to generate employment in rural and semi urban sections and ensure sustainable development along with technology upgradation. Similarly in jewellery business associated vendors and contractors have grown over the year and in turn have helped us to grow.

5. Does the company have a mechanism to recycle products and waste (separately as < 5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.

Yes, >10%. The company has adopted waste management through waste minimization and conservation of natural resources. The continuous efforts to eliminate, recycle and re use waste has resulted in the least residue waste to be disposed off, further this waste is disposed off in eco-friendly manner.

Our major material is rough diamond, where non makeable items are sold as diamond rejection, which are used by other categories of processor who can convert them to Polished Diamond and sales to their customer or used for industrial applications. In jewellery manufacturing unit major material is gold, which is 100% recycled, Silver scrap and wastes are refined and reused, other process waste are minimized and disposed in eco-friendly manner.

### Principle 3:

#### Businesses should promote the wellbeing of all employees

1. Total number of employees: 986 employees as on 31<sup>st</sup> March 2021.
2. Total number of employees hired on temporary/ contractual/ casual basis: 94 Contractual Employees as on 31<sup>st</sup> March 2021
3. Number of permanent women employees: 154 as on 31<sup>st</sup> March 2021
4. Number of permanent employees with disabilities: 10 as on 31<sup>st</sup> March 2021
5. Do you have an employee association that is recognized by management? Nil
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.  
We have zero tolerance for hiring of child labour, forced labour, discrimination, sexual harassment and gender in-equality. The Company has strict policy and procedure on social compliance and its adherence are monitored, further this policy are publicly available on our website and any deviation can be reported by stakeholder through our grievances cell and whistle blower policy.  
During the financial year 2020-21 no compliant on sexual harassment has been reported to Internal complaint committee.
8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

#### Category of workman :

- a) Permanent Employees
- b) Permanent Woman Employees
- c) Casual/ Temporary/ Contractual Employees
- d) Employees with disabilities

100% of employees are covered in various Health and Safety training which are conducted round the year such as PPE usage, Mock Drills, Fire Drill's, First Aid, Fire Fighting and General Health & Safety Trainings. Usually we hire trained and skill work force in our organization, however as per responsible producer and government directives we provide induction trainings to apprentice and young employees as a Skill India Initiative. All the existing employees also undergo training based on need of business such as technological up gradation for production, testing and monitoring quality of the products and service embowered by our organization. On an average 15% employees are covered under skill development training.

### Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes. The Company's CSR policy covers this area in details. The Company believes that social responsibility is an integral part of the value system, and therefore sharing corporate benefits with society is necessity. Through its endeavors in this direction the Company aims to make positive changes in the areas of education, healthcare and social upliftment. The Company also employs persons with disabilities wherever possible. It also provides technological and skill development assistance and trainings to various contractors located in small towns and remote areas. During the year Company contributed to various Charitable Trust for extending help towards COVID 19 pandemic.

### Principle 5:

#### Businesses Should Respect and Promote Human Rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The company has established its policy on Human right and same is communicated to all the stake holders. Yes it covers all the stake holders and compliance of stake holder is ensured Viz; Audit programs for out sourced vendors/ Diamond cutting contractors " ROOT's " to ensure compliance by contractor along with other social compliances.

2. How many stakeholders' complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

No complaint has been received during the financial year 2020-21

### Principle 6:

#### Business Should Respect, Protect, and Make Efforts to Restore the Environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others.

Policy extends to Group, suppliers, contractors and others. The above said policy has been published on the company web site and its adherence by all in our down supply chain is ensured.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? If yes, please give hyperlink for web page etc.

As a part of its social commitment and to address the issue of global warming and climate change, the Company endeavours to carry out its operation in a more sustainable manner. The Company has always been inclined to promote cleaner and greener environment and is engaged in generation of power through establishment of Wind Turbine Generators since about 15 years.

3. Does the company identify and assess potential environmental risks?

Company has conducted the environmental risk assessments at each unit level.

These risks are identified, classified and same is mitigated through reduction, reuse and recycled. These process of risk management is continuous process.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Further whether company has filed any environmental compliance report?

Not Applicable

5. Has the company undertaken any other initiatives on - Clean technology, energy efficiency, renewable energy etc.? If yes, give hyperlink for web page etc.

As mentioned above the Company is engaged in generation of renewable energy through Wind Turbine Generators

6. Are the emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes, Annual compliance reports are maintained and submitted to concern authorities

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of the Financial Year.

No showcase / legal notice have been received from CPB/SPCB as on 31<sup>st</sup> March, 2021.

### Principle 7:

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

- Gem and Jewellery Export Promotion of India
- Member of World Diamond council
- Responsible Jewellery council
- The Federation of Indian Export Organisation (FIEO)
- Diamond Exporters Association Limited (DEAL)

2. Have you advocated or lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes. Company is actively participating in various industry association through its representative and provides insights which helps in framing technology, policies related to society and industry developments.

### Principle 8:

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes or initiatives or projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. Company initiatives and projects support equitable development. Please refer CSR Report.

2. Are the programmes or projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

Please refer CSR report which details the various projects undertaken for Education, health care and humanitarian aid.

3. Have you done any impact assessment of your initiative?

Yes

4. What is your company's direct contribution to community development projects- amount in INR and the details of the projects undertaken.

During the financial year 2020-2021, Company has spent INR. 116.83 Lakhs towards CSR initiatives. Details are provided in Annexure C to the Directors Report

5. Have you take steps to ensure that this community development initiative is successfully adopted by the community?

Yes. Company has put its efforts to make sure the success of the projects undertaken. NGO's with whom company has associated with to undertake various projects works at grass root level and have better understanding and connection with community, which helps in successful adoption of various initiative.

### Principle 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints / consumer cases is pending as on the end of financial year?

NIL complaints. We deal mainly with B2B customers and has negligible sales to retail customers. Thus consumer complaints by end user are not applicable currently.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? (Yes/ No/NA/ Additional information)

Yes, All appropriate and necessary product information are mentioned on product tages, and packing material/invoices where applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and /or anti competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof.

There are no such cases filed and pending.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, customer satisfaction survey /feedback are obtained annually and analyzed internally for continual improvement in our products and service offerings.

# 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, 2021, 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, 2021, 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. The assessment of its Net Realisable value is based on the assessment by the management and valuation done by the government approved valuer based on various Parameters of diamonds and marketable conditions.</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 to the extent possible and where it is not possible, due to vast variety, quality and peculiarity of goods, 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.

### Auditors' 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 38 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  
FRNo. 105765W

**Mahendra Doshi**  
Proprietor  
Membership No.41316  
UDIN: 21041316AAAIP3119

Place : Mumbai  
Date: May 14, 2021

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' 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)

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. 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.
- vii. 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, 2021 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, 2021 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where the dispute is pending	Period to which amt relates	Amount in Rs. Crores	Remarks (if any)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A. Y.2012-13, A.Y. 2017-18 & A.Y. 2018-19	15.91	Rectification filed for Rs. 7.18 cr and Appeal filed for Rs. 8.73 cr
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

- viii. 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.

- ix. 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.
- x. 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.
- xi. 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.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. 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  
FRNo. 105765W

**Mahendra Doshi**  
Proprietor  
Membership No.41316  
UDIN: 21041316AAAIP3119

Place : Mumbai  
Date: May 14, 2021

## 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, 2021 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, 2021, 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  
FRNo. 105765W

**Mahendra Doshi**  
Proprietor  
Membership No.41316  
UDIN: 21041316AAAIP3119

Place : Mumbai  
Date: May 14, 2021

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2021**

(Rs. in lacs)

PARTICULARS	NOTE	AS AT MARCH 31,2021	AS AT MARCH 31,2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a Property, Plant & Equipment	1	19,539.17	20,755.25
b Investment Property		4,993.10	4,993.10
<b>Financial Assets</b>			
i) Non Current Investments	2	5,418.29	5,918.12
ii) Other Financial Assets	3	43.03	49.45
d Non-Current Tax Assets	4	-	83.22
e Other Non-Current Assets	5	243.74	592.50
		30,237.33	31,671.64
<b>Current Assets</b>			
a Inventories	6	41,340.85	50,905.80
<b>Financial Assets</b>			
i) Current Investments	7	3,399.56	1,790.42
ii) Trade Receivables	8	61,379.43	56,422.50
iii) Cash and Cash Equivalents	9	13,292.38	10,678.91
iv) Other Bank Balances	10	10,288.74	9,897.28
v) Loans & Advances	11	5,323.27	2,947.27
vi) Other Financial Assets	12	-	265.04
		1,35,024.23	1,32,907.22
<b>TOTAL</b>		<b>1,65,261.56</b>	<b>1,64,578.86</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a Equity Share Capital	13	1,600.68	1,600.68
b Other Equity	14	80,556.53	75,903.03
		82,157.21	77,503.71
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Long-Term Borrowings	15	5,123.50	4,877.36
b Deferred Tax Liabilities (Net)	16	3,500.28	4,949.99
c Long-Term Provisions	17	955.40	493.81
d Non Current Tax Liabilities	18	183.52	-
e Other Non-Current Liabilities	19	478.19	758.17
		10,240.89	11,079.33
<b>Current Liabilities</b>			
<b>Financial Liabilities :</b>			
i) Short-Term Borrowings	20	44,289.89	57,301.81
ii) Trade Payables	21	27,435.80	17,494.35
iii) Other Financial Liabilities	22	16.61	302.48
b Other Current Liabilities	23	1,121.16	897.18
		72,863.46	75,995.82
<b>TOTAL</b>		<b>1,65,261.56</b>	<b>1,64,578.86</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 56		

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 14, 2021  
UDIN: 21041316AAAIP3119

For and on behalf of the Board

**SUJATA NADGOUDA**  
Company Secretary

Place : Mumbai  
Dated: May 14, 2021

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

Place : Mumbai  
Dated: May 14, 2021

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

Place : Mumbai  
Dated: May 14, 2021

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lacs)

PARTICULARS	NOTE	2020 - 2021	2019 - 2020
<b>REVENUE</b>			
Revenue From Operations	24	1,68,739.85	2,16,279.57
Other Income	25	2,062.25	(98.08)
<b>Total Revenue</b>		<b>1,70,802.10</b>	<b>2,16,181.49</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	87,955.03	1,01,257.44
Purchases of Stock-In-Trade		32,229.04	68,725.86
Changes in Inventories of	27	15,974.34	(1,303.53)
Work-In-Progress & Finished Goods			
Employee Benefits Expense	28	4,741.94	5,881.39
Finance Costs (Net)	29	203.66	1,825.83
Depreciation and Amortization Expense		1,287.81	1,401.88
Other Expenses	30	23,240.62	34,188.31
<b>Total Expenses</b>		<b>1,65,632.44</b>	<b>2,11,977.18</b>
<b>Profit Before Exceptional Items &amp; Tax</b>		<b>5,169.66</b>	<b>4,204.31</b>
Exceptional Items Income/(Loss)		(364.91)	-
<b>Profit Before Tax</b>		<b>4,804.75</b>	<b>4,204.31</b>
Tax expense			
Current Tax		972.15	1,354.25
Deferred Tax		(1,449.70)	81.31
<b>Profit After Tax</b>		<b>5,282.30</b>	<b>2,768.75</b>
Other Comprehensive Income		(388.70)	121.52
<b>Total Comprehensive Income</b>		<b>4,893.60</b>	<b>2,890.27</b>
Earnings Per Equity Share:			
Basic and Diluted (In Rs.)		33.00	17.30
Significant Accounting Policies			
Notes on Financial Statements	1 to 56		

As per our report of even date

## FOR MAHENDRA DOSHI &amp; ASSOCIATES

Chartered Accountants  
FRNo: 105765WMAHENDRA DOSHI  
Proprietor  
Membership No. 41316Place : Mumbai  
Dated: May 14, 2021  
UDIN: 21041316AAAAIP3119

For and on behalf of the Board

DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685Place : Mumbai  
Dated: May 14, 2021VIPUL P. SHAH  
CEO & Managing Director  
DIN - 00004746Place : Mumbai  
Dated: May 14, 2021

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH , 2021

(Rs. in lacs)

PARTICULARS	2020-2021	2019-2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax &amp; Extraordinary Items</b>	<b>4,804.75</b>	<b>4,204.31</b>
<b>Adjustment for</b>		
- Depreciation	1,287.81	1,401.88
- Finance Costs (Net)	203.66	1,825.83
- Unrealised Foreign Exchange (Gain) / Loss	(595.43)	140.62
- Dividend Received	(266.80)	(275.54)
- (Profit)/Loss on sale of Fixed Assets	(4.93)	13.58
- (Profit)/Loss on sale of Investments	(138.72)	39.13
- Fair Value Gain / (loss) on Investments	(1,656.94)	484.62
<b>Operating Profit Before Working Capital Changes</b>	<b>3,633.40</b>	<b>7,834.43</b>
<b>Adjustment for</b>		
- Receivables	(4,165.73)	9,673.83
- Inventories	9,564.95	(5,195.27)
- Loans & Advances	(1,755.78)	2,254.29
- Current and Non Current Liabilities	9,779.19	(1,445.56)
<b>Cash generated from / (used in) Operations</b>	<b>17,056.03</b>	<b>13,121.72</b>
- Taxation	(705.42)	(1,655.78)
<b>Cash Flow before Extraordinary Items</b>	<b>16,350.61</b>	<b>11,465.94</b>
<b>Net cash from / (used in) Operating Activities</b>	<b>16,350.61</b>	<b>11,465.94</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of Fixed Assets	(89.42)	(405.27)
- Sale of Fixed Assets	22.62	13.66
- (Purchase) / Sale of Investments (Net)	(33.65)	10.26
- Dividend Received	266.80	275.54
<b>Net Cash from / (used in) Investing Activities</b>	<b>166.35</b>	<b>(105.81)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Long Term Borrowings	246.14	(70.14)
- Short Term Borrowings	(13,314.42)	(8,821.47)
- Finance Costs (Net)	(203.66)	(1,825.83)
- Dividend Paid	(240.10)	(240.10)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(13,512.04)</b>	<b>(10,957.54)</b>
<b>Net increase / (decrease) in Cash &amp; Cash Equivalents</b>	<b>3,004.92</b>	<b>402.59</b>
<b>Cash &amp; Cash Equivalents as at 1st April (Opening)-*</b>	<b>20,576.19</b>	<b>20,173.61</b>
<b>Cash &amp; Cash Equivalents as at 31st March (Closing)-*</b>	<b>23,581.11</b>	<b>20,576.20</b>

\* Includes Fixed deposits of Rs.17,041.55 Lacs (FY 19-20 Rs.16,325.10 Lacs) pledged as collateral securities with banks for facilities obtained / kept as margin money against Bank Guarantee. Includes fixed deposits of Rs.10,288.74 Lacs (FY 19-20 Rs 9,897.28 Lacs) maturing after 3 months.

As per our report of even date

## FOR MAHENDRA DOSHI &amp; ASSOCIATES

Chartered Accountants  
FRNo: 105765WMAHENDRA DOSHI  
Proprietor  
Membership No. 41316Place : Mumbai  
Dated: May 14, 2021  
UDIN: 21041316AAAAIP3119

For and on behalf of the Board

SUJATA NADGOUDA  
Company SecretaryPlace : Mumbai  
Dated: May 14, 2021DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685Place : Mumbai  
Dated: May 14, 2021VIPUL P. SHAH  
CEO & Managing Director  
DIN - 00004746Place : Mumbai  
Dated: May 14, 2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

## A. EQUITY SHARE CAPITAL

(Rs. in lacs)

PARTICULARS	Balance at the beginning of the period April 1, 2019	Changes in Equity share capital during the year 2019-20	Balance at the end of reporting period March 31, 2020	Changes in Equity share capital during the year 2020-21	Balance at the end of the reporting period March 31, 2021
Equity Share Capital	1600.68	-	1600.68	-	1600.68

## 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, 2020</b>						
Balance at the beginning of the reporting period i.e. April 1, 2019	298.16	1,986.44	16,763.68	54,486.28	(281.70)	73,252.87
Total Income for the year	-	-	-	2,768.75	121.52	2,890.26
Dividend	-	-	-	(240.10)	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-
<b>Balance at the end of the reporting period i.e. March 31, 2020</b>	298.16	1,986.44	16,963.68	56,814.93	(160.18)	75,903.03
<b>AS ON MARCH 31, 2021</b>						
Balance at the beginning of the reporting period i.e. April 1, 2020	298.16	1,986.44	16,963.68	56,814.93	(160.18)	75,903.03
Total Income for the year	-	-	-	5,282.30	(388.70)	4,893.60
Dividend	-	-	-	(240.10)	-	(240.10)
<b>Balance at the end of the reporting period i.e. March 31, 2021</b>	298.16	1,986.44	16,963.68	61,857.13	(548.88)	80,556.53

As per our report of even date

## FOR MAHENDRA DOSHI &amp; ASSOCIATES

Chartered Accountants  
FRNo: 105765WMAHENDRA DOSHI  
Proprietor  
Membership No. 41316Place : Mumbai  
Dated: May 14, 2021  
UDIN: 21041316AAAAIP3119

## For and on behalf of the Board

SUJATA NADGOUDA  
Company SecretaryPlace : Mumbai  
Dated: May 14, 2021DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685Place : Mumbai  
Dated: May 14, 2021VIPUL P. SHAH  
CEO & Managing Director  
DIN - 00004746Place : Mumbai  
Dated: May 14, 2021

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

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

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

**Defined Benefit Plans**

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

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

**r. Taxes on Income**

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

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

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

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

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

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

**s. Earnings Per Share**

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

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

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

**t. Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

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

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

**u. Cash and Cash Equivalents & Other Bank Balances**

Cash and cash equivalents for the purpose of the cash flow statement comprise cash at bank and in hand and short-term investments with a 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 it is received. 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 and changes in gold prices. The counterparty of these contracts is bank, financial institutions and commodity exchange. 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, 2021

## 1. PROPERTY, PLANT &amp; EQUIPMENT

(Rs. in lacs)

Description of Assets	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at April 1, 2020	Additions	*Deductions	As at March 31, 2021	As at April 1, 2020	For the Year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>Tangible Assets</b>										
Land	6,076.34	-	-	6,076.34	16.02	-	-	16.02	6,060.32	6,060.32
Office Premises	1,478.93	-	-	1,478.93	216.06	46.46	-	262.52	1,216.41	1,262.87
Factory Premises	6,177.12	-	-	6,177.12	977.96	135.91	-	1,113.87	5,063.25	5,199.16
Plant & Machinery	14,348.10	37.86	353.61	14,032.35	7,282.20	818.24	346.07	7,754.37	6,277.98	7,065.90
Vehicles	954.18	10.78	45.52	919.44	553.48	91.24	45.52	599.20	320.24	400.90
Furniture & Fixtures	1,212.31	1.18	-	1,213.49	1,011.49	46.29	-	1,057.78	155.71	200.82
Office Equipments	2,163.64	22.79	18.46	2,167.97	1,629.39	124.20	8.87	1,744.72	423.25	534.25
Computer	840.52	16.47	5.82	851.17	809.29	25.42	5.26	829.45	21.72	31.23
<b>Intangible Assets</b>										
Computer Software	18.13	0.34	-	18.47	18.13	0.05	-	18.18	0.29	-
<b>CURRENT YEAR</b>	<b>33,269.27</b>	<b>89.42</b>	<b>423.41</b>	<b>32,935.28</b>	<b>12,514.02</b>	<b>1,287.81</b>	<b>405.27</b>	<b>13,396.11</b>	<b>19,539.17</b>	<b>20,755.25</b>
<b>PREVIOUS YEAR</b>	<b>33,779.25</b>	<b>405.27</b>	<b>915.25</b>	<b>33,269.27</b>	<b>12,000.15</b>	<b>1,401.88</b>	<b>888.01</b>	<b>12,514.02</b>	<b>20,755.25</b>	<b>21,779.11</b>

Note : Deduction includes Plant & Machinery amounting to Rs. 344.42 discarded on completion of its useful life. Correspondingly Rs.344.42 of accumulated depreciation has been included in depreciation column.

## 2. NON CURRENT INVESTMENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Unquoted, Equity Instruments</b>		
<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	2,010.00
Utkarsh Coreinvest Ltd. 90,000 (90,000) Shares of Rs. 10 each	117.00	117.00
Arohan Financial Services Ltd 100,000 (Nil) Shares of Rs. 10 each	220.17	-
<b>Other Investments</b>		
Ratnanjali Infra LLP (Partnership Firm)	2,726.56	2,726.56
<b>Total</b>	<b>5,418.29</b>	<b>5,198.12</b>

## 3. OTHER FINANCIAL ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Deposits With Others	10.34	10.49
Security Deposits	32.69	38.96
<b>Total</b>	<b>43.03</b>	<b>49.45</b>

## 4. NON CURRENT TAX ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Taxation	-	83.22
<b>Total</b>	<b>-</b>	<b>83.22</b>

## 5. OTHER NON CURRENT ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Capital Advances	-	364.91
Security Deposit	243.58	227.39
Preliminary Expenditure (to the extent not written off)	0.16	0.20
<b>Total</b>	<b>243.74</b>	<b>592.50</b>

## 6. INVENTORIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Raw Materials	22,115.16	15,745.22
Work In Progress	6,547.97	4,912.20
Finished Goods	12,511.19	30,121.30
Consumables	166.53	127.08
(Inventories are valued as per point no. 3(n) to significant accounting policies)		
<b>Total</b>	<b>41,340.85</b>	<b>50,905.08</b>

## 7. CURRENT INVESTMENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
<b>Investments carried at Fair Value through profit &amp; loss (FVTPL)</b>				
<b>Investments in Bond</b>				
Sovereign Gold Bond Scheme (800 (800) Units)	23.31		23.31	
		23.31		23.31
<b>Investments in Equity</b>				
Quoted, fully paid up				
Aarti Industries Ltd 940 (20,060) Shares of Rs.5 each	12.38		156.56	
Aegis Logistics Ltd Nil (47,175) Shares of Rs.5 each	-		66.27	
Amber Enterprises India Ltd 7,650 (1,530) Shares of Re.1 each	256.43		96.77	
APL Apollo Tubes Ltd 412 (6,260) Shares of Rs.10 each	5.77		76.52	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Apollo Tricoat Tubes Ltd 29,000 (Nil) Shares of Rs. 2 each	350.32	-
Aavas Financiers Ltd 423 (214) Shares of Rs. 10 each	10.23	2.54
Axis Bank Ltd Nil (7,055) Shares of Rs. 2 each	-	26.76
Aarti Surfactants Ltd Nil (16) Shares of Rs. 10 each	-	0.24
Affle India Limited 76 (Nil) Shares of Rs. 10 each	4.15	-
Astral Poly Technik Ltd 247 (273) Shares of Rs. 10 each	3.99	2.52
Alkem Lab Ltd Nil (201) Shares of Rs. 10 each	-	4.68
Au Small Finance Bank Ltd. 1,037 (1,046) Shares of Rs. 10 each	12.72	5.30
Bajaj Auto Ltd 1,569 (1,404) Shares of Rs. 10 each	57.61	28.43
Bajaj Finance Ltd 4,942 (5,135) Shares of Rs. 2 each	255.72	114.05
Bandhan Bank Nil (419) Shares of Rs. 10 each	-	0.86
Bajaj Finserve Ltd 598 (107) Shares of Rs. 5 each	12.57	4.91
Berger Paints India Ltd 1,183 (1,626) Shares of Re. 1 each	9.05	8.08
Britania Industries Ltd Nil (246) Shares of Re. 1 each	-	6.62
Bayer Cropscience Ltd Nil (36) Shares of Rs. 10 each	-	1.24
Birla Corporation Ltd Nil (832) Shares of Rs. 10 each	-	3.45
Blue Star Ltd Nil (481) Shares of Rs. 2 each	-	2.21
Bharti Airtel Ltd 11,500 (Nil) Shares of Rs. 2 each	57.95	-
Deepak Nitrate Ltd 5,900 (Nil) Shares of Rs. 2 each	99.13	-
Dixon Technologies (I) Ltd 305 (Nil) Shares of Rs. 2 each	11.19	-

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Cholamandalam Inv & Fin Co Ltd Nil (1,010) Shares of Rs. 10 each	-	1.55
Canfin Homes Ltd Nil (25,207) Shares of Rs. 2 each	-	69.36
Divis Laboratories Ltd 1,872 (1,873) Shares of Rs. 2 each	67.95	37.23
Dabur India Ltd 959 (1,554) Shares of Rs. 2 each	5.19	6.99
Development Credit Bank Ltd Nil (4,320) Shares of Rs. 10 each	-	4.10
Dhanuka Agritech Ltd Nil (334) Shares of Rs. 10 each	-	1.09
Dr Lal Path Ltd Nil (289) Shares of Rs. 10 each	-	4.05
Gujarat Gas Ltd 1,567 (753) Shares of Rs. 2 each	8.61	1.75
Gabriel India Ltd Nil (2,707) Shares of Re. 1 each	-	1.44
Glaxo Smithkline Consumer Healthcare Ltd Nil (16) Shares of Rs. 10 each	-	1.60
Gland Pharma Ltd 4,100 (Nil) Shares of Re. 1 each	100.85	-
HDFC Bank Ltd 14,279 (8,077) Shares of Rs. 2 each	212.28	131.58
Hindustan Unilever Ltd 217 (207) Shares of Re. 1 each	5.27	4.76
HDFC Life Ins Co Ltd 16,883 (16,450) Shares of Rs. 10 each	115.67	70.01
Havells India Ltd 827 (986) Shares of Re. 1 each	8.68	4.73
INFO Edge (India) Ltd 4,000 (4,000) Shares of Rs. 10 each	171.05	81.45
ICICI Lombard General Ins.Co.Ltd 382 (432) Shares of Re. 1 each	8.24	4.65
ICICI Securities Ltd Nil (262) Shares of Rs. 5 each	-	0.72
IIFL Finance Ltd Nil (352) Shares of Rs. 2 each	-	0.26
IIFL Securities Ltd Nil (352) Shares of Rs. 2 each	-	0.11
ITD Cement India Ltd Nil (1,695) Shares of Rs. 2 each	-	0.50

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Indiamart Intermesh Ltd 31 (Nil) Shares of Rs. 10 each	2.40	-
KEI Industries Ltd 14,925 (21,325) Shares of Rs. 2 each	78.29	59.94
Kaveri Seed Co Ltd Nil (483) Shares of Rs. 2 each	-	1.65
Kajaria Ceramics Ltd Nil (1,110) Shares of Re. 1 each	-	4.18
L & T Technology Services Ltd 3,400 (NIL) Shares of Rs. 2 each	92.81	-
Laurus Labs Ltd 26,000 (1,110) Shares of Rs. 2 each	95.22	-
MAS Fin Serv Ltd 378 (470) Shares of Rs. 10 each	3.23	2.47
Mahanagar Gas Ltd Nil (445) Shares of Rs. 10 each	-	3.64
Metropolis Healthcare Ltd 199 (Nil) Shares of Rs. 2 each	4.46	-
Mphasis Ltd - 5,800 (NIL) Shares of Rs. 10 each	104.19	-
Navin Fluorine Intl Ltd 6,472 (12,000) Shares of Rs. 2 each	180.09	122.54
Nestle India Ltd Nil (21) Shares of Rs. 10 each	-	3.42
Odisha Cement Ltd Nil (10,112) Shares of Rs. 2 each	-	45.85
Page Industries Ltd 11 (30) Shares of Rs. 2 each	8.80	5.08
PI Ind Ltd 165 (240) Shares of Rs. 10 each	3.72	2.81
Pidilite Ind Ltd Nil (488) Shares of Re. 1 each	-	6.62
Quess Corp Ltd Nil (440) Shares of Rs. 10 each	-	0.94
Radico Kaitan Ltd 596 (Nil) Shares of Rs. 2 each	3.34	-
Reliance Communications Ltd 100,000 (100,000) Shares of Rs. 5 each	1.73	0.69
Relaxo Footware Ltd 377 (582) Shares of Re. 1 each	3.30	3.47
Route Mobile Ltd 6,000 (NIL) Shares of Rs. 10 each	87.65	-

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Reliance Ind. Ltd 3,313 (NIL) Shares of Rs. 1 each	66.37	-
Shilpa Medicare Ltd Nil (11,088) Shares of Re. 1 each	-	28.46
Sterling & Wilson Solar Ltd Nil (126) Shares of Re. 1 each	-	0.10
SBI Life Insurance Co. Ltd Nil (380) Shares of Rs. 10 each	-	2.44
Shree Cements Ltd 20 (12) Shares of Rs. 10 each	5.90	2.11
Sanofi India Ltd 33 (30) Shares of Rs. 10 each	2.60	1.87
SRF Ltd 126 (Nil) Shares of Rs. 10 each	6.81	-
Solar Industries Ltd 252 (228) Shares of Rs. 2 each	3.22	2.07
Suprajit Engg Ltd Nil (640) Shares of Re. 1 each	-	0.72
Titan Company Limited 4,249 (4,386) Shares of Re.1 each	66.17	40.94
Tata Consultancy Service Ltd 2,440 (2,440) Shares of Re. 1 each	77.53	44.48
Tata Elexi Ltd 3,133 (2,603) Shares of Rs. 10 each	84.38	16.39
TTK Prestige Ltd Nil (80) Shares of Rs. 10 each	-	3.89
Torrent Pharmaceutical Ltd 164 (Nil) Shares of Rs. 10 each	4.17	-
United Spirits Ltd 10,000 (10,000) Shares of Rs. 2 each	55.65	48.51
Varun Beverages Ltd 9,752 (14,577) Shares of Rs. 10 each	98.11	77.34
Vaibhav Global Ltd 299 (Nil) Shares of Rs. 2 each	11.47	-
V-Mart Retail Ltd Nil (36) Shares of Rs. 10 each	-	0.51
VIP Industries Ltd Nil (12,592) Shares of Rs. 2 each	-	29.29
Kalyan Jewellers India Ltd 44,456 (Nil) Shares of Rs. 10 each	31.85	-
<b>B</b>	<b>3,046.46</b>	<b>1,598.36</b>

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
<b>Investments in Mutual Fund</b>				
AXIS Blue Chip Direct- Growth 1,64,759 ( Nil) Units	102.82		-	
HDFC Small Cap Fund Direct Growth Plan 1,55,122 (1,55,122) Units	89.53		31.40	
Kotak Select Focus Fund Direct Plan Growth 2,15,853 (2,15,853) Units	105.18		62.58	
Mirae Asset Midcap Fund Direct Plan 1,95,112 ( Nil) Units	32.25		-	
Motilal Oswal Most Focused Multicap35 Fund Nil (3,61,232) Units	-		74.48	
Reliance Liquid Fund -Div Reinvestment 0.01 (23,653) Units	0.01		0.29	
	<b>C</b>	<b>329.79</b>		<b>168.75</b>
<b>Total</b>	<b>A+B+C</b>	<b>3,399.56</b>		<b>1,790.42</b>

**8. TRADE RECEIVABLES**

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
<b>Unsecured</b>				
<b>Over six months from due date</b>				
Considered Good	1,027.15		1,501.98	
Considered Doubtful	-		-	
	1,027.15		1,501.98	
Less: Provision for doubtful debts	10.23		-	
		1,016.92		1,501.98
<b>Other</b>				
Considered Good		60,362.51		54,920.52
<b>Total</b>		<b>61,379.43</b>		<b>56,422.50</b>

**9. CASH AND CASH EQUIVALENTS**

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Balances with Banks	6,481.02	3,668.66
Fixed Deposits with Banks	6,799.70	6,994.36
Cash on hand	11.66	15.89
<b>Total</b>	<b>13,292.38</b>	<b>10,678.91</b>

- Balance with banks include unclaimed Dividend of Rs. 0.15 lacs ( For F.Y. 2018-19 it was Rs. 0.13 lacs), & unclaimed fractional entitlement Rs. NIL (For F.Y.2019-20 it was Rs. 0.17 lacs).

- Fixed Deposits with banks includes deposits of Rs. 6,718.38 lacs (For F.Y. 2019-20 it was Rs. 6,395.40 lacs) pledged as collateral securities with the bank as security for facilities obtained.

- Fixed Deposits with banks includes deposits of Rs. 34.44 lacs (For F.Y. 2019-20 it was Rs. 32.42 lacs) kept as margin money against bank guarantees.

**10. OTHER BANK BALANCES**

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Fixed Deposits with Banks	10,288.74	9,897.28
<b>Total</b>	<b>10,288.74</b>	<b>9,897.28</b>

- Fixed Deposits with banks include deposits of Rs. 1,338.60 lacs (For FY 2019-20 it was Rs. 568.41 lacs) with maturity of more than 12 months.

- Fixed Deposits with banks includes deposits of Rs. 9,693.47 lacs (For F.Y. 2019-20 it was Rs. 9,045.20 lacs) pledged as collateral securities with the bank as security for facilities obtained.

- Fixed Deposits with banks includes deposits of Rs. 595.26 lacs (For F.Y. 2019-20 it was Rs. 852.08 lacs) kept as margin money against bank guarantees.

**11. LOANS AND ADVANCES**

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Loans &amp; Advances Others *</b>		
Unsecured, considered good	5,323.27	2,947.27
<b>Total</b>	<b>5,323.27</b>	<b>2,947.27</b>

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

**12. OTHER FINANCIAL ASSETS**

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Derivatives - Foreign Exchange Contracts	-	265.04
<b>Total</b>	<b>-</b>	<b>265.04</b>

## 13. SHARE CAPITAL

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<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>

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

NAME OF THE SHAREHOLDERS	AS AT MARCH 31, 2021		AS AT MARCH 31, 2020	
	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>

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

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
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, 2021	AS AT MARCH 31, 2020
<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	16,963.68	16,763.68
Add: Transfer from Surplus Account	-	200.00
	16,963.68	16,963.68
<b>Other Comprehensive Income</b>		
	(548.88)	(160.18)
<b>Surplus Account</b>		
As per last Balance Sheet	56,814.93	54,486.28
Add: Profit for the Year	5,282.30	2,768.75
	62,097.23	57,255.03
<b>Less: Appropriations</b>		
Transferred to General Reserve	-	200.00
Dividend on Equity Shares (Dividend per Share Rs.1.50/-) (Previous Year Dividend per Share Rs.1.50/-)	240.10	240.10
	240.10	440.10
	61,857.13	56,814.93
<b>Total</b>	<b>80,556.53</b>	<b>75,903.03</b>

## 15. LONG TERM BORROWINGS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Unsecured Loans</b>		
Loan from Related Party- Directors	5,123.50	4,877.36
<b>Total</b>	<b>5,123.50</b>	<b>4,877.36</b>

## 16. DEFERRED TAX LIABILITY

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Deferred Tax Liability on account of :</b>		
Property, Plant & Equipment	3,608.83	5,200.46
Investments	142.33	-
	<b>A</b>	<b>5,200.46</b>
<b>Deferred Tax Asset on account of :</b>		
Provision for Doubtful Debts	2.58	20.11
Gratuity Liability	237.45	219.51
Others	10.85	10.85
	<b>B</b>	<b>250.47</b>
<b>Deferred Tax Liability (Net)</b>	<b>A-B</b>	<b>4,949.99</b>

## 17. LONG TERM PROVISIONS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Provision for Employee Benefits		
Provision for Gratuity	955.40	493.81
<b>Total</b>	<b>955.40</b>	<b>493.81</b>

## 18. NON-CURRENT TAX LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Taxation	183.52	-
<b>Total</b>	<b>183.52</b>	<b>-</b>

## 19. OTHER NON-CURRENT LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Deferred Income (Liability)	478.19	758.17
<b>Total</b>	<b>478.19</b>	<b>758.17</b>

## 20. SHORT TERM BORROWINGS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Secured Loans</b>		
Working Capital Loan from Banks	36,873.03	48,341.04
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>		
Loan from Related Party- Directors	7,416.86	8,960.77
<b>Total</b>	<b>44,289.89</b>	<b>57,301.81</b>

## 21. TRADE PAYABLES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Creditors for Goods</b>		
Total outstanding dues of micro enterprises and small enterprises	1,719.83	338.16
Others	23,047.37	16,743.09
<b>A</b>	<b>24,767.20</b>	<b>17,081.25</b>
<b>Creditors for Processing</b>		
Total outstanding dues of micro enterprises and small enterprises	50.70	-
Others	2,617.90	413.10
<b>B</b>	<b>2,668.60</b>	<b>413.10</b>
<b>Total</b>	<b>27,435.80</b>	<b>17,494.35</b>

## 22. OTHER FINANCIAL LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Derivatives - Foreign Exchange Contracts	16.61	302.48
<b>Total</b>	<b>16.61</b>	<b>302.48</b>

## 23. OTHER CURRENT LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Unclaimed Dividend	0.15	0.13
Other Payables*	1,121.01	897.05
<b>Total</b>	<b>1,121.16</b>	<b>897.18</b>

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

## 24. REVENUE FROM OPERATIONS

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Sale of Products	1,68,202.09	2,15,257.25
Sale of Services	537.76	1,022.32
<b>Total</b>	<b>1,68,739.85</b>	<b>2,16,279.57</b>

Note: The above includes net gain / (loss) on exchange fluctuation, as mentioned in note no. 48

## 24.1 PARTICULARS OF SALE OF PRODUCTS

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Diamonds	1,15,821.48	1,50,434.25
Jewellery	51,931.57	64,309.19
Power- Windmill	449.04	513.81
<b>Total</b>	<b>1,68,202.09</b>	<b>2,15,257.25</b>

## 25. OTHER INCOME

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Dividend Income	266.80	275.54
Miscellaneous Receipts	3.37	15.55
Fair Value Gain / (loss) on Investments	1,656.94	(484.62)
Other Interest Income	6.35	49.24
Service Tax Refund	-	7.26
Duty Benefit on import of machinery	45.96	45.84
Net gain/(loss) on sale of Investments	138.72	(57.04)
Share of profit / (loss) from Partnership firm	-	17.91
Net Gain/(loss) on foreign currency transactions and translation	(179.06)	(95.92)
Financial Guarantee Commission	123.37	128.16
<b>Total</b>	<b>2,062.25</b>	<b>(98.08)</b>

## 26. COST OF MATERIALS CONSUMED

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Stock at the Commencement	15,745.22	11,928.31
Purchases during the year	94,324.97	1,05,074.35
	1,10,070.19	1,17,002.66
Less : Stock at the Close	22,115.16	15,745.22
<b>Total</b>	<b>87,955.03</b>	<b>1,01,257.44</b>

## 27. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS &amp; FINISHED GOODS

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
<b>Variation in Stock of Work-In-Progress</b>		
Stock at the Commencement	4,912.20	6,410.96
Less: Stock at the Close	6,547.97	4,912.20
<b>A</b>	<b>(1,635.77)</b>	<b>1,498.76</b>
<b>Variation in Stock of Finished Goods</b>		
Stock at the Commencement	30,121.30	27,319.00
Less: Stock at the Close	12,511.19	30,121.29
<b>B</b>	<b>17,610.11</b>	<b>(2,802.29)</b>
<b>Total</b>	<b>15,974.34</b>	<b>(1,303.53)</b>

## 28. EMPLOYEE BENEFITS EXPENSE

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Salary & Bonus	2,950.11	3,800.09
Director's Remuneration	175.00	600.00
Wages	1,060.74	889.16
Gratuity	96.29	109.42
Ex Gratia & Leave Encashment	189.31	156.40
Labour Welfare Fund Expenses	0.58	3.89
Contribution to Provident Fund	198.81	234.70
Group Health Insurance Premium	34.48	16.46
Contribution to E.S.I.C.	27.62	36.85
Staff Welfare Expenses	9.00	34.42
<b>Total</b>	<b>4,741.94</b>	<b>5,881.39</b>

## 29. FINANCE COSTS

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Interest Expense (Net of Interest Received)	(0.23)	1,545.15
Other Borrowing Costs	203.89	280.68
<b>Total</b>	<b>203.66</b>	<b>1,825.83</b>



## 30. OTHER EXPENSES

(Rs. in lacs)

PARTICULARS	2020 - 2021		2019 - 2020	
<b>Manufacturing Expenses</b>				
Processing Expenses	19,053.05		28,186.09	
Electricity, Power & Fuel	296.18		445.16	
Promotion Fund Expenses on Import	11.71		15.49	
Consumables	400.23		462.33	
Factory Expenses	150.96		221.56	
		19,912.13		29,330.63
<b>Administrative / Selling &amp; Distribution Expenses</b>				
Bank Commission & Charges	174.86		247.33	
Electrical Charges	30.72		39.59	
Telephone, Internet and Fax Charges	53.53		70.36	
Local Travelling and Conveyance	67.12		62.96	
Legal & Professional fees	563.89		493.13	
Audit Fees	9.00		9.00	
Printing & Stationery	30.42		55.91	
Repairs & Maintenance (Other)	108.45		138.14	
Repairs & Maintenance (Building)	5.70		9.42	
Repairs & Maintenance (Plant & Machinery)	41.93		75.38	
Repairs & Maintenance (Windmill)	267.73		247.77	
Postage and Courier	31.25		64.07	
Motor Car Expenses	55.22		76.94	
Provision for Doubtful Debts	10.23		-	
Bad Debts*	35.76		59.53	
Insurance Premium	84.56		95.39	
Rent & Compensation	91.88		117.13	
Donation	10.70		41.10	
CSR Expenditure	116.84		121.31	
Office Canteen Expenses	57.81		79.91	
Office Expenses	25.48		24.62	
Director's Sitting Fees	2.90		2.60	
Sundry Expenses	113.38		115.17	
Security Charges	45.86		89.84	
Membership and Subscription	14.83		20.74	
Service tax paid	-		223.22	
Advertisement	4.05		12.94	
Sales Expenses	41.26		336.15	
Foreign Travelling	24.44		231.65	
Commission on Sales	176.13		284.18	
Re-Assortment Charges	10.85		20.66	
Freight & Clearing Charges	225.70		246.12	
Agency Charges	14.82		23.82	
E.C.G.C. Premium	64.79		182.74	
Diamond Grading Charges	677.18		871.59	
Preliminary Expenses Written off	0.04		0.05	
Packing Expenses	39.18		67.22	
		3,328.49		4,857.68
<b>Total</b>		<b>23,240.62</b>		<b>34,188.31</b>

\* Bad Debts is net of recovery of Rs. 36.46 lacs by way of insurance claim.

## 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	198.81
Employers Contribution to Employees State Insurance Scheme	27.62
Employers Contribution to Labour Welfare Fund	0.58

## b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2021 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	6.87 %
b) Rate of Discounting	6.87 %
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	996.38
b) Current Service Cost	62.42
c) Interest Cost	68.36
d) Benefit Paid from the fund	(98.47)
e) Actuarial (gain)/loss on obligation	(379.17)
f) Present value of obligation as at end of the year	1,412.30
<b>III) Change in fair value of Plan Assets</b>	
a) Fair value of the Plan Assets at the beginning of the year	502.56
b) Interest Income	34.48
c) Contributions by the Employer	23.40
d) Benefit Paid from the fund	(98.47)
e) Return on Plan Assets, Excluding Interest Income	(5.07)
f) Fair value of Plan Assets at the end of the year	456.90
<b>IV) Amount Recognized in the Balance Sheet</b>	
a) Present value of benefit obligation at the end of the year	(1,412.30)
b) Fair Value of Plan Assets at the end of the year	456.90
c) Funded Status (Surplus/ (Deficit))	(955.40)
d) Net (Liability)/Asset Recognized in the Balance Sheet	(955.40)
<b>V) Expenses Recognized in the Statement of Profit &amp; Loss</b>	
a) Net Interest Cost	62.42
b) Current Service Cost	33.88
c) Expenses recognized in Profit & Loss Statement	96.29
<b>VI) Expenses Recognized in the Other Comprehensive Income (OCI) for Current period</b>	
a) Actuarial (Gains)/Losses on Obligation for the Period	383.62
b) Return on Plan Assets, excluding Interest Income	5.08
c) Net (Income)/Expense for the Period Recognized in OCI	(388.70)

(Rs. in lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
<b>VII) Sensivity Analysis</b>	
Projected Benefit Obligation on Current Assumptions	1,412.30
Delta effect of +1% change in rate of Discounting	(123.69)
Delta effect of -1% change in rate of Discounting	143.68
Delta effect of +1% change in rate of Salary Increase	125.30
Delta effect of -1% change in rate of Salary Increase	(112.20)
Delta effect of +1% change in rate of Employee Turnover	23.24
Delta effect of -1% change in rate of Employee Turnover	(26.12)

**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. 2,40,10,200/- for the financial year 2020-21, which is based on relevant share capital as on March 31, 2021. The actual dividend amount will be dependent on the relevant share capital outstanding on the record date / book closure.

**33.** Exceptional item of Rs. 3,64,91,000/- represents write off of an old advance given for purchase of factory land which is now irrecoverable in the opinion of the management.

**34. TAXATION**

Income tax recognized in statement of profit and loss

(Rs. in lacs)

PARTICULARS	2020-2021	2019-2020
Current tax	972.15	1,354.25
Deferred tax	(1,449.70)	81.31
<b>Income tax expense recognised in statement of profit and loss</b>	<b>(477.55)</b>	<b>1,435.56</b>

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

(Rs. in lacs)

PARTICULARS	2020-2021	2019-2020
Profit before tax	4,804.75	4,204.31
Applicable tax rate	25.170%	34.320%
<b>Computed Tax Expense</b>	<b>1,209.35</b>	<b>1,442.92</b>
Tax effect of:		
Exempted income	(716.60)	(86.40)
Expenses disallowed	402.39	457.02
Differential tax rate on income of SEZ unit & dividend from foreign subsidiary	-	(459.30)
<b>Current Tax Provision</b> <b>A</b>	<b>972.15</b>	<b>1,354.25</b>
Decremental Deferred tax Liability on account of Tangible Assets	1591.63	164.04
(Incremental)/ Decremental Deferred tax Liability on account of other items	141.93	(83.72)
<b>Deferred Tax Provision</b> <b>B</b>	<b>(1,449.70)</b>	<b>81.31</b>
<b>Tax Expenses recognised in Statement of Profit and Loss</b> <b>A+B</b>	<b>(477.55)</b>	<b>1,435.56</b>
Effective Tax Rate	(9.94%)	34.15%

**35. RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH, 2021:**

(i) List of Related Parties and relationships:

A Particulars of Enterprises controlled by the Company	Relationship
<b>Name of Related Party</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 Particulars of Key Management Personnel	Relationship
<b>Name of Related Party</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
C Particulars of Enterprises Under Common control of the Key Management Personnel	Relationship
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	Relationship
Himanshu A. Shah	
Pooja P. Shah	
Sujata V. Shah	
Gemasia B.V. (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	2020-2021		2019-2020	
		Volume	Amount Outstanding as on 31.03.2021	Volume	Amount Outstanding as on 31.03.2020
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	10,114.38	3,697.56	11,229.79	2,686.90
	Jewel Art	735.34	411.25	246.54	246.96
	Gemasia B.V.	4,276.78	2,730.91	3,886.77	1,418.05
Sale of Rough Diamonds	A. M. Exports	Nil	Nil	210.79	Nil
Purchase of Rough Diamonds	Asian Star DMCC	15,457.03	8,165.97	34,057.66	9129.51
	Gemasia B.V.	245.37	Nil	432.70	Nil
Purchase of Polished Diamonds	A. M. Exports	3,766.96	1,277.83	2,312.40	165.85
	Mihir R. Kothari	166.62	7.10	322.53	18.42
	Asian Star Co. Ltd. - (U.S.A.)	270.27	270.27	Nil	Nil
	Gemasia B.V.	405.42	355.80	154.31	156.67
	Jewel Art	166.82	52.85	Nil	Nil
Dividend Received	Asian Star DMCC	261.19	Nil	247.93	Nil
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	Nil	178.75	Nil	178.75
	Asian Star Trading (Hong Kong) Ltd.	Nil	103.58	Nil	103.58
	Asian Star DMCC	Nil	62.23	Nil	62.23
Corporate Guarantee given *The difference in value as on 31 March is due to change in exchange rate	Asian Star Trading (Hong Kong) Ltd.	Nil	Nil	Nil	18,092.62
	Asian Star DMCC*	Nil	7,350.47	Nil	7,538.59
Corporate Guarantee Commission Received	Asian Star Trading (Hong Kong) Ltd.	87.10	Nil	90.46	90.46
	Asian Star DMCC	36.27	Nil	37.69	37.69
Directors' Remuneration	Dinesh T. Shah	Nil	Nil	125.00	Nil
	Arvind T. Shah	Nil	Nil	125.00	Nil
	Vipul P. Shah	Nil	Nil	175.00	Nil
	Priyanshu A. Shah	100.00	Nil	100.00	Nil
	Rahil V. Shah	75.00	Nil	75.00	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil	0.96	Nil
	Arvind T. Shah	0.96	Nil	0.96	Nil
	Dharmesh D. Shah	0.72	Nil	0.72	Nil
	Vipul P. Shah	0.96	Nil	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30.00	Nil	30.00
	Arvind T. Shah	Nil	30.00	Nil	30.00
	Dharmesh D. Shah	Nil	20.00	Nil	20.00
	Vipul P. Shah	Nil	30.00	Nil	30.00
Unsecured Loans Taken/(Repaid) - (Net)	Dinesh T. Shah	20.01	6,317.02	(30.99)	6,297.01
	Arvind T. Shah	(41.99)	973.18	278.00	1,015.17
	Dharmesh D. Shah	(154.00)	758.30	(10.00)	912.30
	Vipul P. Shah	(1261.92)	3,817.63	(27.01)	5,079.56
	Priyanshu A. Shah	(156.00)	624.23	59.34	780.23
	Rahil V. Shah	50.00	50.00	Nil	Nil
Interest Paid on Director's Loan	Dinesh T. Shah	Nil	Nil	110.00	198.00
	Vipul P. Shah	Nil	Nil	112.50	202.50

(Rs. in lacs)

Particulars	Name of the Party	2020-2021		2019-2020	
		Volume	Amount Outstanding as on 31.03.2021	Volume	Amount Outstanding as on 31.03.2020
Contract for Processing of Diamonds	Shah Manufacturers	3,142.95	387.38	4,555.89	(409.78)
Sale of Jewellery / Sale of Services / Rubber Moulds / Colour Stones / Diamonds / RPT etc.	Rahil V Shah	31.14	Nil	Nil	Nil
	Sujata V Shah	Nil	Nil	11.49	Nil
	Rasila A. Shah	33.83	Nil	Nil	Nil
	Pooja P. Shah	Nil	Nil	2.32	Nil
	Priyanshu A. Shah	Nil	Nil	1.99	Nil
	Vipul P. Shah	Nil	Nil	0.83	Nil
	Arvind T. Shah	10.50	Nil	Nil	Nil
	Asian Star Co. Ltd. - (U.S.A.)	52.71	5.93	19.39	7.60
Jewel Art	59.60	20.87	222.82	128.00	
Purchase of Gold, Silver and Other Materials	Asian Star Co. Ltd. - (U.S.A.)	39.10	Nil	10.26	10.26
	Jewel Art	20.64	Nil	42.77	Nil
Sale of Machinery	Jewel Art	18.67	12.14	0.14	Nil

Note: 1. Sale includes GST.

36. 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. The Investment balance in Joint Venture as on 31.3.2021 is Rs. 2,726.56 lacs based on the latest available financials of the joint venture entity.

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.

## 37. CORPORATE SOCIAL RESPONSIBILITY (CSR):

a) Gross amount required to be spent during the year : Rs. 114.41 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	116.84	-	116.84

38. a) The Company has given guarantee of Rs. 73.50 crores (For F.Y. 2019-20 it was Rs. 256.31 Crores) to Banks for facilities availed by its subsidiary companies.
- b) The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2019-20 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.
- c) The Company has disputed Income tax liability of Rs. 8.03 crores for A.Y. 2012-13, Rs. 0.43 crores for A.Y. 2017-18 & Rs. 7.45 crores for A.Y. 2018-19. Out Of Rs. 7.45 crores for A.Y. 2018-19, demand for Rs. 7.18 crores is on account of errors in tax calculations by the Department which will be rectified in due course. The Company is of the opinion that the remaining demands are not tenable and has filed appeal against them with Commissioner of Income Tax (appeals).

The above demands i.e. (b) & (c) shall be charged to Profit & Loss statement, if required, on disposal of the matter.

39. 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 31ST MARCH, 2021	AS AT 31ST MARCH, 2020
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-

#### 40. PAYMENT TO AUDITORS

(Rs. in lacs)

PARTICULARS	2020-2021	2019-2020
Statutory Audit	9.00	9.00
Others	Nil	Nil
<b>TOTAL</b>	<b>9.00</b>	<b>9.00</b>

#### 41. EARNING PER SHARE

PARTICULARS	2020-2021	2019-2020
Profit After Tax (Rs. in lacs)	5,282.30	2,768.75
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.)	33.00	17.30

(Rs. in lacs)

SR. NO.	PARTICULARS	2020-2021	2019-2020
42.	<b>Value of imported and indigenous consumption - Raw Material</b>		
	• Imported Raw material	59,868.26	72,071.61
		68.07%	71.18%
	• Indigenous Raw material	28,086.77	29,185.83
		31.93%	28.82%
	<b>Total</b>	<b>87,955.03</b>	<b>101,257.44</b>
43.	Interest received during the year that is net off against the Finance Cost charged to Profit & Loss Statement	978.42	1,159.76
44.	Value of Import on CIF Basis Raw Materials	68,666.53	89,726.48
45.	Loss due to misappropriation of goods by employee net of insurance claim	3.45	Nil
46.	<b>Expenditure in Foreign Currency</b>		
	Foreign Travelling	14.97	5.40
	Repairs & Maintenance	0.13	2.19
	Membership & Subscription	2.86	12.51
	Consumables	6.70	35.31
	Sales Promotion Expenses	Nil	12.24
	Legal & Professional fees	3.40	3.89
	Diamond Grading Charges	2.25	4.96
	Diamond Inscription Charges	76.23	215.55
	Trade Fair / Exhibition Expenses	Nil	32.12
Export Packing Charges	3.65	5.62	
47.	Earning in Foreign Exchanges FOB value of Exports	1,04,175.81	1,34,970.80
48.	Net Gain/(Loss) on Exchange Fluctuation as included in total Revenue from operations & purchases reflected in the Profit & Loss Statement:		
	- Revenue from operations	2,981.38	(2,247.15)
	- Purchases	1,415.07	15,385.28
49.	Sales include Insurance Claim for loss of Diamonds	281.42	Nil
50.	Breakup of remuneration paid to Managing / Whole time Directors		
	a. Salary	175.00	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.		

## 51. FINANCIAL INSTRUMENTS DISCLOSURE

FINANCIAL ASSETS		
PARTICULARS	(Rs. in lacs)	
	AS AT MARCH 31,2021	AS AT MARCH 31,2020
<b>NON-CURRENT</b>		
Investments - At cost (refer note 2)		
<b>a. Unquoted, fully paid up In Equity Shares of wholly Owned Subsidiary Companies</b>		
Asian Star Co. Ltd.	178.75	178.75
Asian Star DMCC	62.23	62.23
Asian Star Trading (Hongkong) Ltd.	103.58	103.58
<b>Aggregate fair value</b>	<b>344.56</b>	<b>344.56</b>
<b>Aggregate book value</b>	<b>248.17</b>	<b>248.17</b>
Gain / (Loss) on fair value recognised in Retained Earnings	96.40	96.40
<b>b. Unquoted, fully paid up In Equity Shares of Other Companies Shares at Fair Value through Profit and loss</b>		
Indian Commodity Exchange Ltd.	2,010.00	2,010.00
Utkarsh Coreinvest Ltd.	117.00	117.00
Arohan Financial Services Ltd	220.17	-
<b>Other Investments</b>		
Ratnanjali Infra LLP (Partnership Firm)	2,726.56	2,726.561
<b>Aggregate fair value</b>	<b>5,073.73</b>	<b>4,853.56</b>
<b>Aggregate book value</b>	<b>5,073.73</b>	<b>4,853.56</b>
Gain / (Loss) on fair value recognised in P&L	-	-
Gain / (Loss) on fair value recognised in Retained Earnings	-	-
Other Financial Assets	43.03	49.45
<b>CURRENT</b>		
<b>i) Investments (refer note 7)</b>		
<b>at Fair Value through Profit and loss</b>		
<b>a. Unquoted, fully paid up In bonds At Fair Value through Profit and loss</b>		
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>b. Quoted, fully paid up In Equity &amp; Mutual fund n At Fair Value through Profit and loss</b>		
Axis Bank Ltd	-	26.76
Aarti Industries Ltd	12.38	156.55
Aegis Logistics Ltd	-	66.27
Amber Enterprises India Ltd	256.43	96.77
APL Apollo Tubes Ltd	5.77	76.52
Appollo Tricoat Tubes Ltd	350.32	-
Aavas Financers Ltd	10.23	2.54
Aarti Surfactants Ltd	-	0.24
Astral Poly Technik Ltd	3.99	2.52
Affle India Limited	4.15	-
Alkem Lab Ltd	-	4.67
Au Small Fin Bank	12.72	5.30
Bajaj Auto Ltd	57.61	28.43
Bajaj Finance Ltd	255.72	114.05
Bandhan Bank	-	0.85
Bajaj Finserve Ltd	12.57	4.91
Berger Paints India Ltd	9.05	8.08
Britannia Industries Ltd	-	6.62

PARTICULARS	(Rs. in lacs)	
	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Bayer Cropscience Ltd	-	1.24
Birla Corporation Ltd	-	3.45
Blue Star Limited	-	2.21
Bharti Airtel Ltd	57.95	-
Cholamandalam Inv & Fin Co Ltd	-	1.55
Canfin Homes Ltd	-	69.36
Dabur India Ltd	5.19	6.99
Divis laboratories Ltd	67.95	37.23
Dixon Technologies (I) Ltd	11.19	-
Development Credit Bank Ltd	-	4.10
Deepak Nitrate Ltd	99.13	-
Dhanuka Agritech Ltd	-	1.09
Dr Lal Path Ltd	-	4.05
Gujarat Gas Ltd	8.61	1.75
Gabriel India Ltd	-	1.44
Glaxo Smithkline Consumer Healthcare Ltd	-	1.60
Gland Pharma Ltd	100.85	-
HDFC Bank Ltd	212.28	131.58
Havells India Ltd	8.68	4.73
HDFC Life Ins Co Ltd	115.67	70.01
Hindustan Unilever Ltd	5.27	4.76
ITD Cement India Ltd	-	0.50
Indiamart Intermesh Ltd	2.40	-
NFO Edge (India) Ltd	171.05	81.45
IIFL Finance Ltd	-	0.26
IIFL Securities Ltd	-	0.11
ICICI Lombard General Ins Co. Ltd	8.24	4.65
ICICI Securities Ltd	-	0.72
KEI Industries Ltd	78.30	59.94
Kaveri Seed Co Ltd	-	1.65
Kalyan Jewelers India Ltd	31.85	-
Kajaria Ceramics Ltd	-	4.18
L & T Technology Services Ltd	92.82	-
Laurus Labs Ltd	95.23	-
Mahanagar Gas Ltd	-	3.64
Metropolis Healthcare Ltd	4.46	-
Mphasis Ltd	104.19	-
MAS Fin Serv Ltd	3.23	2.47
Nestle India Ltd	-	3.42
Navin Fluorine Intl Ltd	180.09	122.54
Odisha Cement Ltd	-	45.85
Quess Corp Ltd	-	0.94
P I Industries Ltd	3.72	2.81
Pidilite Ind Ltd	-	6.62
Page Industries Ltd	8.80	5.08
Reliance Industries Ltd	66.37	-
Reliance Communications Ltd	1.73	0.69
Relaxo Footware Ltd	3.30	3.47
Route Mobile Ltd	87.65	-
Radico Khaitan Ltd	3.34	-
Shilpa Medicare Ltd	-	28.46
Sterling & Wilson Solar Ltd	-	0.10

(Rs. in lacs)

PARTICULARS	(Rs. in lacs)	
	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
SBI Life Insurance Co. Ltd	-	2.44
Shree Cements Ltd	5.90	2.11
Sanofi India Ltd	2.60	1.87
SRF Ltd	6.81	-
Solar Industries Ltd	3.22	2.07
Suprajit Engg Ltd	-	0.72
Tata Elexi Ltd	84.38	16.39
Tata Consultancy Service Ltd	77.53	44.48
Titan Company Limited	66.17	40.94
Torrent Pharmaceuticals Ltd	4.17	-
TTK Prestige Ltd	-	3.89
United Spirits Ltd	55.65	48.51
Vaibhav Global Ltd	11.47	-
V-Mart Retail Ltd	-	0.51
VIP Industries Ltd.	-	29.29
Varun Beverages Ltd	98.11	77.34
Axis Blue Chip Direct - Growth	102.82	-
HDFC Small Cap Fund Direct Growth Plan	89.53	31.40
Kotak Select Focus Fund Direct Plan Growth	105.18	62.58
Motilal Oswal Most Focused Multicap 35 Fund	-	74.47
Mirae Asset Midcap Fund Direct Plan	32.25	-
Reliance Liquid Fund- Div Reinvestment	0.01	0.29
<b>Aggregate fair value of quoted investments</b>	<b>3,376.25</b>	<b>1,767.11</b>
<b>Aggregate book value of quoted investments</b>	<b>1,719.31</b>	<b>2,251.73</b>
<b>Gain / (Loss) on fair value recognised in P&amp;L</b>	<b>1,656.94</b>	<b>(484.62)</b>
<b>ii) Trade Receivables - At amortised cost</b>	<b>61,379.43</b>	<b>56,422.50</b>
<b>iii) Cash and Cash Equivalents (refer note 9)</b>		
Balances with Banks in Current accounts	6,481.03	3,668.66
Fixed Deposits with Banks	6,799.70	6,994.36
Cash on hand	11.66	15.89
<b>iv) Other Bank Balances (refer note 10)</b>	<b>10,288.74</b>	<b>9,897.28</b>
<b>v) Loans &amp; Advances (refer note 11)</b>		
Loans (Considered good unless otherwise stated)		
At Amortised Cost		
Unsecured, considered good - At amortised cost	5,323.27	2,947.27
<b>vi) Other Financial Assets (refer note 12)</b>		
Derivatives - Foreign Exchange Contracts -At FVTPL	-	265.04
<b>Total Financial Assets</b>	<b>93,683.39</b>	<b>82,001.42</b>

## FINANCIAL LIABILITIES

(Rs. in lacs)

PARTICULARS	(Rs. in lacs)	
	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>NON-CURRENT</b>		
<b>Borrowings (refer note 15)</b>		
At Amortised cost		
Loans from related parties-directors	5,123.50	4,877.36
<b>CURRENT</b>		
<b>i) Borrowings (refer note 20)</b>		
At Amortised cost		
Secured working Capital Loan from Banks	36,873.03	48,341.04
Loans from related parties-directors	7,416.86	8,960.77
<b>ii) Trade Payables (refer note 21)</b>		
At Amortised Cost		
Creditors for Goods	24,767.20	17,081.25
Creditors for Processing	2,668.60	413.09
<b>iii) Other Financial Liabilities- At FVTPL (refer note 22)</b>		
Derivatives Foreign Exchange contracts	16.61	302.48
<b>Total Financial Liabilities</b>	<b>76,565.79</b>	<b>79,975.99</b>

## FINANCIAL INSTRUMENTS BY CATEGORY

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021			AS AT MARCH 31, 2020		
	FVTPL	FVOCI	AMORTISED COST	FVTPL	FVOCI	AMORTISED COST
<b>FINANCIAL ASSETS</b>						
<b>Non-Current</b>						
Investments	5,073.73	344.56	-	4,853.56	344.56	-
Other Financial Assets	-	-	43.03	-	-	49.45
<b>Current</b>						
Investments	3,399.56	-	-	1,790.42	-	-
Trade Receivables	-	-	61,379.43	-	-	56,422.50
Cash and Cash Equivalents	13,292.38	-	-	10,678.91	-	-
Other Bank balances	10,288.74	-	-	9,897.28	-	-
Loans & Advances	-	-	5,323.27	-	-	2,947.27
Derivatives - Foreign Exchange Contracts	-	-	-	265.04	-	-
<b>FINANCIAL LIABILITIES</b>						
<b>Non-Current</b>						
Borrowings	-	-	5,123.50	-	-	4,877.36
<b>Current</b>						
Borrowings	-	-	44,289.89	-	-	57,301.81
Trade Payables	-	-	27,435.79	-	-	17,494.35
Derivatives - Foreign Exchange Contracts	16.61	-	-	302.48	-	-

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:

- i. 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.
- ii. The fair values of the quoted equity shares are based on price quotations at the reporting date (Level 1 inputs).
- iii. 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".
- iv. 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 (Level1)	Significant observable inputs (Level2)	Significant observable input (Level3)
<b>Assets measured at fair value (Note No. 2,7,9,10)</b>					
Investments					
Non-Current	31.03.21	5,418.29	-	5,418.29	-
Current	31.03.21	3,399.56	3,399.56	-	-
Cash and Cash Equivalents	31.03.21	13,292.38	-	-	-
Other Bank Balances	31.03.21	10,288.74	-	-	-
<b>Assets for which fair values are disclosed (Note No. 8 &amp; 11)</b>					
Loans & Advances	31.03.21	5,323.27	-	5,323.27	-
Trade Receivables	31.03.21	61,379.43	61,379.43	-	-
<b>Liabilities measured at fair value (Note No. 22)</b>					
Derivatives - Foreign Exchange Contracts	31.03.21	16.61	16.61	-	-
<b>Liabilities for which fair values are disclosed (Note No. 15,20,21)</b>					
Borrowings					
Non-Current	31.03.21	5,123.50	-	5,123.50	-
Current	31.03.21	44,289.89	-	44,289.89	-
Trade Payables	31.03.21	27,435.79	27,435.79	-	-

(Rs. in lacs)

Particulars	Date of Valuation	Total	Fair Value measurement using		
			Quoted Prices in the active market (Level1)	Significant observable inputs (Level2)	Significant observable input (Level3)
<b>Assets measured at fair value (Note No. 2,7,9,10,12)</b>					
<b>Investments</b>					
Non-Current	31.03.20	5,198.13	-	5,198.13	-
Current	31.03.20	1,790.42	1,790.42	-	-
Derivatives - Foreign Exchange Contracts	31.03.20	265.04	265.04	-	-
Cash and Cash Equivalents	31.03.20	10,678.91	-	-	-
Other Bank Balances	31.03.20	9,897.28	-	-	-
<b>Assets for which fair values are disclosed (Note No. 3,8,11)</b>					
Loans & Advances	31.03.20	2,947.27	-	2,947.27	-
Other Financial Assets	31.03.20	49.45	-	49.45	-
Trade Receivables	31.03.20	56,422.50	56,422.50	-	-
<b>Liabilities measured at fair value (Note No. 22)</b>					
Derivatives - Foreign Exchange Contracts	31.03.20	302.48	302.48	-	-
<b>Liabilities for which fair values are disclosed (Note No. 15,20,21)</b>					
<b>Borrowings</b>					
Non-Current	31.03.20	4,877.36	-	4,877.36	-
Current	31.03.20	57,301.81	-	57,301.81	-
Trade Payables	31.03.20	17,494.35	17,494.35	-	-

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 31/3/2020 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 / 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, 2021. Of the total trade receivables, Rs.56,492 lacs as at March 31, 2021 and Rs. 46,633 lacs as at March 31, 2020 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. 217.90 lacs as at March 31, 2021 and Rs. 61.69 lacs as at March 31, 2020 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 is generally upto 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, 2021	AS AT MARCH 31, 2020
1-90	3,678.49	5,898.77
91-180	191.91	2,388.65
More than 180	1,016.92	1,501.98
<b>Total</b>	<b>4,887.32</b>	<b>9,789.40</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 31.03.2021:

(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	1,694.63	33,518.01	9,177.25	5,123.50
Interest on Borrowings	1.45	-	-	-
Trade payables	11,132.55	15,119.23	1,184.02	-
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts - Financial Assets	-	-	-	-
Net settled derivative contracts - Financial Liabilities	5.04	-	-	11.57

#### Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2020:

(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*	6,447.07	36,141.84	14,712.90	4,877.36
Interest on Borrowings	23.73	-	-	-
Trade payables	7,520.13	9,587.90	386.31	-
<b>Maturity analysis for Derivative Financial Assets &amp; Liabilities:</b>				
Net settled derivative contracts - Financial Assets	241.40	-	23.65	-
Net settled derivative contracts - Financial Liabilities	222.42	-	80.06	-

\* The maturity analysis of the bank borrowings is without considering the moratorium period allowed by bank to repay the loans.

#### 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, 2021 covers 4.0 Kgs and for Purchase of silver covers 90 Kgs. (For F.Y. 2019-20 it was for Sale of Gold 3.5 Kgs and for sale of Silver - 510 Kgs). Sensivity 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:

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Variable rate borrowings</b>		
Rs. Loan from bank (Rs. in lacs)	-	487
Foreign currency Loan (\$ in million)	50.16	63.52

#### Interest Rate Risk Sensivity

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

(Rs. in lacs)

IMPACT ON PROFIT & LOSS	2020 - 2021	2019 - 2020
<b>For \$ Borrowings</b>		
Increase in Interest rate - 50 basis points p.a.	(184)	(239)
Decrease in Interest rate - 50 basis points p.a.	184	239
<b>For Rs. Borrowings</b>		
Increase in Interest rate - 75 basis points p.a.	-	(3.65)
Decrease in Interest rate - 75 basis points p.a.	-	3.65

**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, 2021	AS AT MARCH 31, 2020
<b>Financial Assets</b>		
Trade Receivables	69.72	59.27
Cash and Cash Equivalents	3.54	0.11
Derivatives Forward contracts (Net)	-	83.20
<b>Financial Liabilities</b>		
Borrowings	50.16	63.52
Trade payables	31.35	18.99
Derivatives Forward contracts (Net)	4.50	-

**Foreign Currency Risk Sensivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
USD		
USD-INR Increase by 1%	(94)	453
USD-INR decrease by 1%	94	(453)

**52. 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, 2021 and 31st March, 2020 was 38% and 45%, respectively.

**53. COLLATERALS**

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

- Fixed deposits - Value Rs. 16,412 lacs
- Hypothecation of Stock in trade and Trade receivables - Value Rs. 1,02,720 lacs.
- Mortgage of premises at Mumbai & Surat - at Market Value Rs. 17,712 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.

**54. 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.

**55. IMPACT OF COVID-19 (GLOBAL PANDEMIC)**

Outbreak of COVID 19 towards the end of FY 2019-2020 severely hit the Gems & Jewellery Industries along with the entire economy. Lockdown in various parts of the globe, travel restrictions, cancellation of trade exhibitions and shows and various measures taken to prevent the spread of Covid almost brought the industry to a standstill in the first few months of the FY 2021. Operations of the Company too were affected by COVID 19 disruption like the entire industry. During the first few months there were negligible activities as all the production facilities and offices were shut during the nationwide lockdown imposed in April 2020 impacting the sales and profitability for the year. However, with gradual relaxation and unlocking measures implemented by various state governments, the business activity begun slowly and steadily. With all the production facilities fully operational, business started reviving in the second quarter, and continued growing at a steady pace. Revenue improved quarter on quarter and was back to normalcy in the third quarter. With major consumption centres out of the grip of COVID 19, and their vaccination drive to be completed within next few months, the Company expects a promising year ahead albeit the hiccups and uncertainty in the short and medium term cannot be ruled out.

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

As per our report of even date

**FOR MAHENDRA DOSHI & ASSOCIATES**  
Chartered Accountants  
FRNo: 105765W

**MAHENDRA DOSHI**  
Proprietor  
Membership No. 41316

Place : Mumbai  
Dated: May 14, 2021  
UDIN: 21041316AAAAIP3119

**SUJATA NADGOUDA**  
Company Secretary

Place : Mumbai  
Dated: May 14, 2021

**For and on behalf of the Board**

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

Place : Mumbai  
Dated: May 14, 2021

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

Place : Mumbai  
Dated: May 14, 2021

**INDEPENDENT AUDITORS' REPORT**

**TO**

**THE MEMBERS OF ASIAN STAR COMPANY LIMITED**

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

**Opinion**

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, 2021, 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, 2021, 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	Auditors' 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. The assessment of its Net Realisable value is based on the assessment by the management and valuation done by the government approved valuer based on various parameters of diamonds and marketable conditions.</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 to the extent possible and where it is not possible, due to vast variety, quality and peculiarity of goods, 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 term 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.

**Auditors' 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 Rs. 53,421.62 lacs as at 31st March, 2021, total revenues of Rs. 1,11,593.67 lacs and net cash flows amounting to Rs. 4,869.13 lacs for the year ended on that date, as considered in the consolidated financial statements. The Consolidated financial results does not include Group's share of net profit/(loss) of one Jointly controlled associates as accounts of the same were not audited yet and profit / (loss) of the same is not material with respect to the group. 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, 2021 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, 2021 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 A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. 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.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net profit/loss in respect of its associates.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and associate companies incorporated in India.

**For Mahendra Doshi & Associates**  
Chartered Accountants  
FRNo. 105765W

**Mahendra Doshi**  
Proprietor  
Membership No.41316  
UDIN: 21041316AAAAIR9048

Place : Mumbai  
Date: May 14, 2021

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' 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, 2021 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, 2021, 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 associate companies incorporated in India, the same has been 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 is not material to the Group.

**For Mahendra Doshi & Associates**  
Chartered Accountants  
FRNo. 105765W

**Mahendra Doshi**  
Proprietor  
Membership No.41316  
UDIN: 21041316AAAAIR9048

Place : Mumbai  
Date: May 14, 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a Property, Plant & Equipment	1	20,309.49	21,741.66
b Investment Property		4,993.10	4,993.10
<b>Financial Assets</b>			
i) Non Current Investments	2	5,073.73	4,853.56
ii) Other Financial Assets	3	43.03	66.17
d Non-Current Tax Assets	4	-	656.48
e Other Non-Current Assets	5	261.47	602.37
		30,680.82	32,913.34
<b>Current Assets</b>			
a Inventories	6	48,527.00	55,386.01
<b>Financial Assets</b>			
i) Current Investments	7	3,399.56	1,790.42
ii) Trade Receivables	8	80,644.54	66,711.40
iii) Cash and Cash Equivalents	9	23,099.59	24,212.95
iv) Other Bank Balances	10	10,288.74	9,897.28
v) Loans & Advances	11	8,170.60	12,219.46
vi) Other Financial Assets	12	-	265.04
		1,74,130.03	1,70,482.56
<b>TOTAL</b>		<b>2,04,810.85</b>	<b>2,03,395.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a Share Capital	13	1,600.68	1,600.68
b Other Equity	14	1,19,588.53	1,14,704.52
		1,21,189.21	1,16,305.20
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Long-Term Borrowings	15	5,123.50	5,084.01
b Deferred Tax Liabilities (Net)	16	3,500.51	4,950.11
c Long-Term Provisions	17	1,270.96	731.45
d Non-Current Tax Liabilities	18	30.99	-
e Other Non-Current Liabilities	19	478.19	758.15
		10,404.15	11,523.72
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Short-Term Borrowings	20	49,781.57	61,250.21
ii) Trade Payables	21	21,907.58	13,022.05
iii) Other Financial Liabilities	22	16.61	302.48
b Other Current Liabilities	23	1,511.73	992.24
		73,217.49	75,566.98
<b>TOTAL</b>		<b>2,04,810.85</b>	<b>2,03,395.90</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 50		

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 14, 2021  
UDIN: 2104136AAAAIR9048

For and on behalf of the Board

SUJATA NADGOUDA  
Company Secretary

Place : Mumbai  
Dated: May 14, 2021

DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated: May 14, 2021

VIPUL P. SHAH  
CEO & Managing Director  
DIN - 00004746

Place : Mumbai  
Dated: May 14, 2021

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in lacs)

PARTICULARS	NOTE	2020 - 2021	2019 - 2020
<b>REVENUE</b>			
Revenue From Operations	24	2,54,438.62	3,05,293.61
Other Income	25	1,785.42	(390.33)
<b>Total Revenue</b>		<b>2,56,224.04</b>	<b>3,04,903.28</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	26	74,149.98	1,20,710.40
Purchases of Stock-In-Trade		1,31,606.87	1,26,493.53
Changes in Inventories of Finished Goods, Work-In-Progress & Stock-in-Trade	27	13,268.39	5,120.42
Employee Benefits Expense	28	5,512.76	6,572.69
Finance Costs (Net)	29	356.86	1,965.97
Depreciation and Amortization Expense		1,484.90	1,596.65
Other Expenses	30	23,544.15	34,682.19
<b>Total Expenses</b>		<b>2,49,923.91</b>	<b>2,97,141.85</b>
<b>Profit Before Exceptional Items &amp; Tax</b>		<b>6,300.13</b>	<b>7,761.43</b>
Exceptional Items Income/(Loss)		( 364.91)	-
<b>Profit Before Tax</b>		<b>5,935.22</b>	<b>7,761.43</b>
<b>Tax expense</b>			
Current Tax		981.19	1,363.20
Deferred Tax		(1,449.59)	81.37
Minority Interest		10.29	(23.55)
<b>Profit After Tax</b>		<b>6,393.33</b>	<b>6,340.41</b>
Other Comprehensive Income		(266.20)	(448.28)
<b>Total Comprehensive Income</b>		<b>6,127.13</b>	<b>5,892.13</b>
<b>Earnings Per Equity Share:</b>			
Basic and Diluted (In Rs.)		39.94	39.61
Significant Accounting Policies			
Notes on Financial Statements	1 to 50		

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 14, 2021  
UDIN: 2104136AAAAIR9048

For and on behalf of the Board

SUJATA NADGOUDA  
Company Secretary

Place : Mumbai  
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DINESH T. SHAH  
Chairman & CFO  
DIN - 00004685

Place : Mumbai  
Dated: May 14, 2021

VIPUL P. SHAH  
CEO & Managing Director  
DIN - 00004746

Place : Mumbai  
Dated: May 14, 2021

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in lacs)

PARTICULARS	2020-2021	2019-2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Items	5,935.22	7,761.43
Adjustment for		
- Depreciation	1,484.90	1,596.65
- Finance Costs (Net)	356.86	1,965.97
- Unrealised Foreign Exchange (Gain) / Loss	(595.43)	140.64
- Dividend Received	(7.58)	(19.72)
- (Profit)/Loss on Sale of Fixed Assets	(4.93)	13.58
- (Profit)/Loss on Sale of Investments	(138.72)	39.13
- Fair Value (Gain) / Loss on Investments	(1,656.94)	484.62
- OCI on Conversion	(1,335.29)	2,833.89
Operating Profit Before Working Capital Changes	4,038.09	14,816.19
Adjustment for		
- Receivables	(13,141.93)	12,543.39
- Inventories	6,859.01	1,228.70
- Loans & Advances	4,677.94	(6,971.51)
- Current and Non Current Liabilities	9,485.40	(9,433.75)
Cash generated from / (used in) Operations	11,918.51	12,183.02
- Taxation	(303.94)	(1,715.86)
Cash Flow before Extraordinary Items	11,614.57	10,467.16
Net cash from / (used in) Operating Activities	11,614.57	10,467.16
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of Fixed Assets	(70.44)	(477.42)
- Sale of Fixed Assets	22.62	13.66
- (Purchase) / Sale of Investments (Net)	(33.65)	10.26
- Dividend Received	7.58	19.72
Net Cash from / (used in) Investing Activities	(73.89)	(433.78)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Long Term Borrowings	39.49	(80.57)
- Short Term Borrowings	(11,771.14)	(4,873.08)
- Increase in Minority Interest due to Introduction / (Withdrawal) of Capital	66.03	13.00
- Finance Costs (Net)	(356.86)	(1,965.97)
- Dividend Paid	(240.10)	(240.10)
Net Cash From / (used in) Financing Activities	(12,262.58)	(7,146.72)
Net Increase / (Decrease) in Cash & Cash Equivalents	(721.90)	2,886.66
Cash & Cash Equivalents as at 1st April (Opening)-*	34,110.23	31,223.57
Cash & Cash Equivalents as at 31st March (Closing)-*	33,388.33	34,110.23

\*Includes Fixed Deposits of Rs. 17,041.55 Lacs (FY 19-20 Rs. 16,325.10 Lacs) pledged as collateral securities with banks for facilities obtained / kept as margin money against Bank Guarantee. Includes fixed deposits of Rs. 10,288.74 Lacs (FY 19-20 Rs. 9,897.28 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 14, 2021  
UDIN: 2104136AAAAIR9048

For and on behalf of the Board

**SUJATA NADGOUDA**  
Company Secretary

Place : Mumbai  
Dated: May 14, 2021

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

Place : Mumbai  
Dated: May 14, 2021

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

Place : Mumbai  
Dated: May 14, 2021

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in lacs)

PARTICULARS	Balance at the beginning of the period April 1, 2019	Changes in Equity share capital during the year 2019-20	Balance at the end of reporting period March 31, 2020	Changes in Equity share capital during the year 2020-21	Balance at the end of the reporting period March 31, 2021
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 Reserve	Capital Redemption	General Reserve	Surplus Account	Minority Interest Income	Other Comprehensive	
<b>AS ON MARCH 31, 2020</b>							
Balance at the beginning of the reporting period i.e. April 1, 2019	294.50	1,986.44	14,213.37	88,201.62	(195.37)	1,250.25	1,05,750.78
Total Income for the year	-	-	-	6,340.41	-	(448.28)	5,892.13
Dividend	-	-	-	(240.10)	-	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-	-
Other Comprehensive Income adjustments	-	-	-	-	-	3,282.17	3,282.17
Minority Interest Adjustments	-	-	-	-	19.51	-	19.51
<b>Balance at the end of the reporting period i.e. March 31, 2020</b>	<b>294.50</b>	<b>1,986.44</b>	<b>14,413.37</b>	<b>94,101.93</b>	<b>(175.86)</b>	<b>4,084.14</b>	<b>1,14,704.52</b>
<b>AS ON MARCH 31, 2021</b>							
Balance at the beginning of the reporting period i.e. April 1, 2020	294.50	1,986.44	14,413.37	94,101.93	(175.86)	4,084.14	1,14,704.52
Total Income for the year	-	-	-	6,393.33	-	-	6,393.33
Dividend	-	-	-	(240.10)	-	-	(240.10)
Other Comprehensive Income adjustments	-	-	-	-	-	(1,260.62)	(1,260.62)
Minority Interest Adjustments	-	-	-	-	(8.60)	-	(8.60)
<b>Balance at the end of the reporting period i.e. March 31, 2021</b>	<b>294.50</b>	<b>1,986.44</b>	<b>14,413.37</b>	<b>1,00,255.16</b>	<b>(184.46)</b>	<b>2,823.52</b>	<b>1,19,588.53</b>

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 14, 2021  
UDIN: 2104136AAAAIR9048

For and on behalf of the Board

**SUJATA NADGOUDA**  
Company Secretary

Place : Mumbai  
Dated: May 14, 2021

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

Place : Mumbai  
Dated: May 14, 2021

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

Place : Mumbai  
Dated: May 14, 2021

## A. CORPORATE INFORMATION

Asian Star Company Limited 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 and jointly controlled associate 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 diamondaires. 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 jointly controlled associate Partnership Firm in India - Shah Manufacturers. The Parent Company, its subsidiaries and jointly controlled associate 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 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. Depreciation of Asian Star Co. Ltd., New York, Asian Star DMCC, Dubai and Asian Star Trading (Hong Kong) Ltd. has been provided on Straight Line basis and depreciation of M/s. Shah Manufacturers is provided on written down value basis.

#### l. Investment Property

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

#### m. Borrowing Costs

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

#### n. Inventories

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

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

Consumables are valued at cost.

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

#### o. Revenue Recognition

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

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

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

#### p. Government Grants

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

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

#### q. Retirement and other Employee Benefits

##### Short Term Employee Benefits

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

##### Defined Contribution Plans

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

As per Provident Fund Act, 1952 all employees of Asian Star Company Ltd. & 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 Balances

Cash and cash equivalents for the purpose of the cash flow statement comprise cash at bank and in hand and short-term investments with a 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 jointly controlled associate which are as under:

Sr. No.	Name	Country of Incorporation	Percentage of ownership (Previous Year)
1)	Asian Star Co. Ltd.	USA	100 (100)
2)	Asian Star DMCC	UAE	100 (100)
3)	Asian Star 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 might have 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 it is received. 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 and changes in gold prices. The counterparty of these contracts are banks, financial institutions and commodity exchange. These contracts are generally entered against the underlying assets such as receivables, payables, 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.

## 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, 2021

### 1. PROPERTY, PLANT & EQUIPMENT

(Rs. in lacs)

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2020	Additions	*Deductions	As at March 31, 2021	As at April 1, 2020	For the Year	Deductions/ Exchange Rate Diff.	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
<b>Tangible Assets</b>										
Land	6,076.34	-	-	6,076.34	16.02	-	-	16.02	6,060.33	6,060.33
Office Premises	2,865.23	-	-	2,865.23	819.61	208.36	(18.31)	1,046.28	1,818.95	2,045.63
Factory Premises	6,177.12	-	-	6,177.12	977.96	135.91	-	1,113.87	5,063.25	5,199.16
Plant & Machinery	14,577.10	37.86	353.61	14,261.35	7,338.66	844.31	346.06	7,836.91	6,424.44	7,238.43
Vehicles	955.71	10.78	45.52	920.97	553.86	91.42	45.52	599.75	321.22	401.86
Furniture & Fixtures	1,498.20	1.18	-	1,499.38	1,267.42	55.23	(0.68)	1,323.33	176.05	230.78
Office Equipments	2,163.64	22.79	18.46	2,167.98	1,629.39	124.20	8.87	1,744.73	423.25	534.25
Computer	840.52	16.47	5.82	851.27	809.29	25.42	5.26	829.44	21.73	31.23
<b>Intangible Assets</b>										
Computer Software	18.13	0.34	-	18.47	18.13	0.05	-	18.18	0.29	-
<b>CURRENT YEAR</b>	<b>35,172.01</b>	<b>89.42</b>	<b>423.42</b>	<b>34,838.01</b>	<b>13,430.34</b>	<b>1,484.90</b>	<b>386.73</b>	<b>14,528.52</b>	<b>20,309.49</b>	<b>21,741.66</b>
<b>PREVIOUS YEAR</b>	<b>35,681.19</b>	<b>406.06</b>	<b>915.24</b>	<b>35,172.01</b>	<b>12,793.04</b>	<b>1,596.65</b>	<b>959.35</b>	<b>13,430.34</b>	<b>21,741.66</b>	<b>22,888.15</b>

\*Note : Deduction includes Plant & Machinery amounting to Rs. 344.42 lacs discarded on completion of its useful life. Correspondingly Rs. 344.42 lacs of accumulated depreciation has been included in depreciation column.

### 2. NON CURRENT INVESTMENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Unquoted, Equity Instruments</b>		
<b>In Companies at Fair Market Value (all fully paid)</b>		
Utkarsh Micro Finance 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	2,010.00
Arohan Financial Services Ltd 1,00,000 (Nil) Shares of Rs. 10 each	220.17	-
<b>Other Investments</b>		
Ratnanjali Infra LLP (Partnership Firm)	2,726.56	2,726.56
<b>Total</b>	<b>5,073.73</b>	<b>4,853.56</b>

### 3. OTHER FINANCIAL ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Deposits with Others	10.34	10.84
Security Deposits	32.69	55.33
<b>Total</b>	<b>43.03</b>	<b>66.17</b>

## 4. NON CURRENT TAX ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Taxation	-	656.48
<b>Total</b>	<b>-</b>	<b>656.48</b>

## 5. OTHER NON CURRENT ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Capital Advances	-	364.91
Security Deposit	261.31	237.26
Preliminary Expenditure (to the extent not written off)	0.16	0.20
<b>Total</b>	<b>261.47</b>	<b>602.37</b>

## 6. INVENTORIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Raw Materials	22,115.16	15,745.22
Work In Progress	6,547.97	4,912.20
Finished Goods & Stock-in-Trade	19,697.35	34,601.51
Consumables (Inventories are valued as per point no. 3(n) to significant accounting policies)	166.52	127.08
<b>Total</b>	<b>48,527.00</b>	<b>55,386.01</b>

## 7. CURRENT INVESTMENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021		AS AT MARCH 31,2020	
Investments carried at Fair Value through profit & loss (FVTPL)				
Investments in Bond				
Sovereign Gold Bond Scheme (800 (800) Units)	23.31		23.31	
<b>A</b>		<b>23.31</b>		<b>23.31</b>
Investments in Equity				
Quoted, fully paid up				
Aarti Industries Ltd 940 (20,060) Shares of Rs.5 each	12.38		156.55	
Aegis Logistics Ltd Nil (47,175) Shares of Rs.5 each	-		66.27	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Amber Enterprises India Ltd 7,650 (1,530) Shares of Re.1 each	256.43	96.77
APL Apollo Tubes Ltd 412 (6,260) Shares of Rs.10 each	5.77	76.52
Apollo Tricoat Tubes Ltd 29,000 (Nil) Shares of Rs. 2 each	350.32	-
Aavas Financers Ltd 423 (214) Shares of Rs. 10 each	10.23	2.54
Axis Bank Ltd. Nil (7,055) Shares of Rs. 2 each	-	26.76
Aarti Surfactants Ltd Nil (16) Shares of Rs.10 each	-	0.24
Affle India Limited 76 (Nil) Shares of Rs.10 each	4.15	-
Astral Poly Technik Ltd 247 (273) Shares of Rs.10 each	3.99	2.52
Alkem Lab Ltd Nil (201) Shares of Rs.10 each	-	4.68
Au Small Finance Bank Ltd. 1037 (1,046) Shares of Rs. 10 each	12.72	5.30
Bajaj Auto Ltd 1,569 (1,404) Shares of Rs. 10 each	57.61	28.43
Bajaj Finance Ltd 4,942 (5,135) Shares of Rs. 2 each	255.72	114.05
Bandhan Bank Nil (419) Shares of Rs.10 each	-	0.86
Bajaj Finserve Ltd 598 (107) Shares of Rs. 5 each	12.57	4.91
Berger Paints India Ltd 1,183 (1626) Shares of Re. 1 each	9.05	8.08
Britania Industries Ltd Nil (246) Shares of Re.1 each	-	6.62
Bayer Cropscience Ltd Nil (36) Shares of Rs.10 each	-	1.24
Birla Corporation Ltd Nil (832) Shares of Rs.10 each	-	3.45
Blue Star Ltd Nil (481) Shares of Rs.2 each	-	2.21
Bharti Airtel Ltd 11,500 (Nil) Shares of Rs. 2 each	57.95	-
Deepak Nitrate Ltd 5,900 (Nil) Shares of Rs. 2 each	99.13	-

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Dixon Technologies (I) Ltd 305 (Nil) Shares of Rs. 2 each	11.19	-
Cholamandalam Inv & Fin Co Ltd Nil (1,010) Shares of Rs.10 each	-	1.55
Canfin Homes Ltd Nil (25,207) Shares of Rs.2 each	-	69.36
Divis Laboratories Ltd 1,872 (1,873) Shares of Rs.2 each	67.95	37.23
Dabur India Ltd 959 (1,554) Shares of Rs.2 each	5.19	6.99
Development Credit Bank Ltd Nil (4,320) Shares of Rs.10 each	-	4.10
Dhanuka Agritech Ltd Nil (334) Shares of Rs.10 each	-	1.09
Dr Lal Path Ltd Nil (289) Shares of Rs.10 each	-	4.05
Gujarat Gas Ltd 1,567 (753) Shares of Rs. 2 each	8.61	1.75
Gabriel India Ltd Nil (2,707) Shares of Re.1 each	-	1.44
Glaxo Smithkline Consumer Healthcare Ltd Nil (16) Shares of Rs.10 each	-	1.60
Gland Pharma Ltd 4,100 (Nil) Shares of Re. 1 each	100.85	-
HDFC Bank Ltd 14,279 (8,077) Shares of Rs. 2 each	212.28	131.58
Hindustan Unilever Ltd 217 (207) Shares of Re. 1 each	5.27	4.76
HDFC Life Ins Co Ltd 16,883 (16,450) Shares of Rs. 10 each	115.67	70.01
Havells India Ltd 827 (986) Shares of Re. 1 each	8.68	4.73
INFO Edge (India) Ltd 4,000 (4,000) Shares of Rs. 10 each	171.05	81.45
ICICI Lombard General Ins.Co.Ltd 382 (432) Shares of Re. 1 each	8.24	4.65
ICICI Securities Ltd Nil (262) Shares of Rs.5 each	-	0.72
IIFL Finance Ltd Nil (352) Shares of Rs.2 each	-	0.26
IIFL Securities Ltd Nil (352) Shares of Rs.2 each	-	0.11

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
ITD Cement India Ltd Nil (1,695) Shares of Rs.2 each	-	0.50
Indiamart InterMesh Ltd 31 (Nil) Shares of Rs.10 each	2.40	-
KEI Industries Ltd 14,925 (21,325) Shares of Rs. 2 each	78.29	59.94
Kaveri Seed Co Ltd Nil (483) Shares of Rs. 2 each	-	1.65
Kajaria Ceramics Ltd Nil (1,110) Shares of Re. 1 each	-	4.18
L & T Technology Services Ltd 3,400 (NIL) Shares of Rs. 2 each	92.81	-
Laurus Labs Ltd 26,000 (1,110) Shares of Rs. 2 each	95.23	-
MAS Fin Serv Ltd 378 (470) Shares of Rs. 10 each	3.23	2.47
Mahanagar Gas Ltd Nil (445) Shares of Rs. 10 each	-	3.64
Metropolis Healthcare Ltd 199 (Nil) Shares of Rs. 2 each	4.46	-
Mphasis Ltd 5,800 (NIL) Shares of Rs. 10 each	104.19	-
Navin Fluorine Intl Ltd 6,472 (12,000) Shares of Rs. 2 each	180.09	122.54
Nestle India Ltd Nil (21) Shares of Rs. 10 each	-	3.42
Odisha Cement Ltd Nil (10,112) Shares of Rs. 2 each	-	45.85
Page Industries 11 (30) Shares of Rs. 2 each	8.80	5.08
PI Industries Ltd 165 (240) Shares of Rs. 10 each	3.72	2.81
Pidilite Ind Ltd Nil (488) Shares of Re. 1 each	-	6.62
Quess Corp Ltd Nil (440) Shares of Rs. 10 each	-	0.94
Radico Kaitan Ltd 596 (Nil) Shares of Rs. 2 each	3.34	-
Reliance Communications Ltd 100,000 (100,000) Shares of Rs. 5 each	1.73	0.69
Relaxo Footware Ltd 377 (582) Shares of Re. 1 each	3.30	3.47

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Route Mobile Ltd 6,000 (NIL) Shares of Rs. 10 each	87.65	-
Reliance Industries Ltd 3313 (NIL) Shares of Rs. 1 each	66.37	-
Shilpa Medicare Ltd Nil (11,088) Shares of Re. 1 each	-	28.46
Sterling & Wilson Solar Ltd Nil (126) Shares of Re. 1 each	-	0.10
SBI Life Insurance Co. Ltd Nil (380) Shares of Rs. 10 each	-	2.44
Shree Cements Ltd 20 (12) Shares of Rs. 10 each	5.90	2.11
Sanofi India Ltd 33 (30) Shares of Rs. 10 each	2.60	1.87
SRF Ltd 126 (Nil) Shares of Rs. 10 each	6.81	-
Solar Industries Ltd 252 (228) Shares of Rs. 2 each	3.22	2.07
Suprajit Engg Ltd Nil (640) Shares of Re. 1 each	-	0.72
Titan Company Limited 4,249 (4,386) Shares of Re.1 each	66.17	40.94
Tata Consultancy Service Ltd 2,440 (2,440) Shares of Re. 1 each	77.53	44.48
Tata Elexi Ltd 3,133 (2,603) Shares of Rs. 10 each	84.38	16.39
TTK Prestige Ltd Nil (80) Shares of Rs. 10 each	-	3.89
Torrent Pharmaceutical Ltd 164 (Nil) Shares of Rs. 10 each	4.17	-
United Spirits Ltd 10,000 (10,000) Shares of Rs. 2 each	55.65	48.51
Varun Beverages Ltd 9,752 (14,577) Shares of Rs. 10 each	98.11	77.34
Vaibhav Global Ltd 299 (Nil) Shares of Rs. 2 each	11.47	-
V-Mart Retail Ltd Nil (36) Shares of Rs. 10 each	-	0.51
VIP Industries Ltd Nil (12,592) Shares of Rs. 2 each	-	29.29
Kalyan Jewellers India Ltd 44,456 (Nil) Shares of Rs. 10 each	31.85	-
<b>B</b>	<b>3,046.46</b>	<b>1,598.33</b>

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Investments in Mutual Fund</b>		
AXIS Blue Chip Direct- Growth 1,64,759 ( Nil) Units	102.82	-
HDFC Small Cap Fund Direct Growth Plan 1,55,122 (1,55,122) Units	89.53	31.40
Kotak Select Focus Fund Direct Plan Growth 2,15,853 ( 2,15,853) Units	105.18	62.58
Mirae Asset Midcap Fund Direct Plan 1,95,112 ( Nil) Units	32.25	-
Motilal Oswal Most Focused Multicap35 Fund Nil (3,61,232) Units	-	74.47
Reliance Liquid Fund -Div Reinvestment 0.01 (23,653) Units	0.01	0.29
<b>C</b>	<b>329.79</b>	<b>168.74</b>
<b>Total</b>	<b>3,399.56</b>	<b>1,790.42</b>

## 8. TRADE RECEIVABLES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
<b>Unsecured</b>		
<b>Over six months from due date</b>		
Considered Good	1,016.92	1,933.40
Considered Doubtful	10.23	-
	1,027.15	1,933.40
Less: Provision for doubtful debts	10.23	-
	1,016.92	1,933.40
<b>Other</b>		
Considered Good	79,627.62	64,778.00
<b>Total</b>	<b>80,644.54</b>	<b>66,711.40</b>

## 9. CASH AND CASH EQUIVALENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
Balances with Banks	16,284.13	17,199.20
Fixed Deposits with Banks	6,799.70	6,994.36
Cash on hand	15.76	19.39
<b>Total</b>	<b>23,099.59</b>	<b>24,212.95</b>

- Balance with banks include unclaimed Dividend of Rs. 0.14 Lacs ( For F.Y. 2019-20 it was Rs. 0.13 Lacs), & unclaimed fractional entitlement Rs. Nil ( For F.Y.2019-20 it was Rs. 0.17 Lacs).

- Fixed Deposits with banks includes deposits of Rs 6,718.38 Lacs (For F.Y. 2019-20 it was Rs. 6,395.40 Lacs) pledged as collateral securities with the bank as security for facilities obtained.

- Fixed Deposits with banks includes deposits of Rs. 34.44 Lacs (For F.Y. 2019-20 it was Rs. 32.41 lacs) kept as margin money against bank guarantees.

## 10. OTHER BANK BALANCES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Fixed Deposits with Banks	10,288.74	9,897.28
<b>Total</b>	<b>10,288.74</b>	<b>9,897.28</b>

- Fixed Deposits with banks include deposits of Rs.1,338.60 lacs (For FY 2019-20 it was Rs. 568.41 lacs) with maturity of more than 12 months.

- Fixed Deposits with banks includes deposits of Rs. 9,693.47 lacs (For F.Y. 2019-20 it was Rs. 9,045.20 lacs) pledged as collateral securities with the bank as security for facilities obtained.

- Fixed Deposits with banks includes deposits of Rs. 595.26 lacs (For F.Y. 2019-20 it was Rs. 852.08 lacs) kept as margin money against bank guarantees.

## 11. LOANS AND ADVANCES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Loans & Advances Others *		
Unsecured, considered good	8,170.60	12,219.46
<b>Total</b>	<b>8,170.60</b>	<b>12,219.46</b>

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

## 12. OTHER FINANCIAL ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Derivatives - Foreign Exchange Contracts	-	265.04
<b>Total</b>	<b>-</b>	<b>265.04</b>

## 13. SHARE CAPITAL

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
<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>

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

NAME OF THE SHAREHOLDERS	AS AT MARCH 31,2021		AS AT MARCH 31,2020	
	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>

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

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
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 31,2021		AS AT MARCH 31,2020	
<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	14,413.37		14,213.37	
Add : Transfer from Surplus Account	-		200.00	
		14,413.37		14,413.37
Minority Interest		(184.46)		(175.86)
<b>Surplus Account</b>				
As per last Balance Sheet	94,101.93		88,201.62	
Add: Profit for the Year	6,393.33		6,340.41	
	1,00,495.26		94,542.03	
Less: Appropriations				
Transferred to General Reserve	-		200.00	
Dividend Paid	240.10		240.10	
	240.10		440.10	
		1,00,255.16		94,101.93
Other Comprehensive Income		2,823.52		4,084.14
<b>Total</b>		<b>1,19,588.53</b>		<b>1,14,704.52</b>

## 15. LONG TERM BORROWINGS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
<b>Unsecured Loans</b>		
Loan from Others	-	206.65
Loan from Related Party- Directors	5,123.50	4,877.36
<b>Total</b>	<b>5,123.50</b>	<b>5,084.01</b>

## 16. DEFERRED TAX LIABILITY

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
<b>Deferred Tax Liability on account of :</b>		
Property, Plant & Equipment	3,609.03	5,200.58
Investments	142.33	-
<b>A</b>	<b>3,751.36</b>	<b>5,200.58</b>
<b>Deferred Tax Asset on account of :</b>		
Provision for Doubtful Debts	2.58	20.11
Gratuity Liability	237.45	219.51
Others	10.82	10.85
<b>B</b>	<b>250.85</b>	<b>250.47</b>
<b>Deferred Tax Liability (Net)</b>	<b>3,500.51</b>	<b>4,950.11</b>
<b>A-B</b>		

## 17. LONG TERM PROVISIONS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
<b>Provision for Employee Benefits</b>		
Provision for Gratuity (unfunded)	1,270.96	731.45
<b>Total</b>	<b>1,270.96</b>	<b>731.45</b>

## 18. NON-CURRENT TAX LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Taxation	30.99	-
<b>Total</b>	<b>30.99</b>	<b>-</b>

## 19. OTHER NON-CURRENT LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Deferred Income (Liability)	478.19	758.15
<b>Total</b>	<b>478.19</b>	<b>758.15</b>

## 20. SHORT TERM BORROWINGS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
<b>Secured Loans</b>		
Working Capital Loan from Banks	42,158.06	52,289.44
<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>		
Loans from Related Party / Others	7,623.51	8,960.77
<b>Total</b>	<b>49,781.57</b>	<b>61,250.21</b>

## 21. TRADE PAYABLES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
<b>Creditors for Goods</b>		
Total outstanding dues of micro enterprises and small enterprises	-	338.16
Others	19,526.67	6,215.35
<b>A</b>	<b>19,526.67</b>	<b>6,553.51</b>
<b>Creditors for Processing</b>		
Total outstanding dues of micro enterprises and small enterprises	-	4.62
Others	2,380.91	6,463.93
<b>B</b>	<b>2,380.91</b>	<b>6,468.55</b>
<b>Total</b>	<b>21,907.58</b>	<b>13,022.06</b>
<b>A + B</b>		

## 22. OTHER FINANCIAL LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Derivatives - Foreign Exchange Contracts	16.61	302.48
<b>Total</b>	<b>16.61</b>	<b>302.48</b>

## 23. OTHER CURRENT LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2021	AS AT MARCH 31,2020
Unclaimed Dividend	0.15	0.13
Other Payables*	1,511.58	992.11
<b>Total</b>	<b>1,511.73</b>	<b>992.24</b>

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



**24. REVENUE FROM OPERATIONS**

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Sale of Products	2,53,900.86	3,04,271.29
Sale of Services	537.76	1,022.32
<b>Total</b>	<b>2,54,438.62</b>	<b>3,05,293.61</b>

Note: The above includes net Gain/(loss) on exchange fluctuation as mentioned in Note No. 43.

**24.1 PARTICULARS OF SALE OF PRODUCTS**

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Diamonds	2,00,597.70	2,39,448.29
Jewellery	52,854.12	64,309.19
Power- Windmill	449.04	513.81
<b>Total</b>	<b>2,53,900.86</b>	<b>3,04,271.29</b>

**25. OTHER INCOME**

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Dividend Income	7.58	19.72
Miscellaneous Receipts	74.72	15.55
Fair Value Gain / (loss) on Investments	1,656.94	(484.62)
Other Interest Income	45.35	104.73
Service Tax Refund	-	7.26
Duty Benefit on Import of Machinery	45.96	45.84
Net gain/(loss) on sale of Investments	138.72	(57.04)
Share of profit from Partnership firm	-	17.91
Net (Gain)/loss on foreign currency transactions and translation	(179.06)	(95.92)
Financial Guarantee Commission	(4.79)	-
Commission Income	-	36.24
<b>Total</b>	<b>1,785.42</b>	<b>(390.33)</b>

**26. COST OF MATERIALS CONSUMED**

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Stock at the Commencement	15,745.22	11,928.31
Purchases during the year	80,519.92	1,24,527.31
	96,265.14	1,36,455.62
Less : Stock at the Close	22,115.16	15,745.22
<b>Total</b>	<b>74,149.98</b>	<b>1,20,710.40</b>

**27. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS & STOCK-IN-TRADE**

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
<b>Variation in Stock of Work-In-Progress</b>		
Stock at the Commencement	4,912.20	6,410.96
Less: Stock at the Close	6,547.97	4,912.20
	A	1,498.76
<b>Variation in Stock of Finished Goods</b>		
Stock at the Commencement	30,121.30	27,319.00
Less: Stock at the Close	12,511.19	30,121.30
	B	(2,802.30)
<b>Variation in Stock-in-Trade</b>		
Stock at the Commencement	4,480.21	10,904.17
Less: Stock at the Close	7,186.16	4,480.21
	C	6,423.96
<b>Total</b>	<b>A+B+C</b>	<b>5,120.42</b>

**28. EMPLOYEE BENEFITS EXPENSE**

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Salary & Bonus	3,163.71	4,480.29
Director's Remuneration	721.86	600.00
Wages	1,060.74	889.16
Gratuity	96.29	109.42
Ex Gratia & Leave Encashment	189.31	156.40
Labour Welfare Fund Expenses	0.58	3.89
Contribution to Provident Fund	198.81	234.70
Group Health Insurance Premium	34.48	16.46
Contribution to E.S.I.C.	27.62	36.85
Staff Welfare Expenses	19.36	45.52
<b>Total</b>	<b>5,512.76</b>	<b>6,572.69</b>

**29. FINANCE COSTS**

(Rs. in lacs)

PARTICULARS	2020 - 2021	2019 - 2020
Interest Expense (Net of Interest Received)	152.97	1,683.05
Other Borrowing Costs	203.89	280.68
Other Interest	-	2.24
<b>Total</b>	<b>356.86</b>	<b>1,965.97</b>

## 30. OTHER EXPENSES

(Rs. in lacs)

PARTICULARS	2020 - 2021		2019 - 2020	
<b>Manufacturing Expenses</b>				
Processing Expenses	18,894.85		28,011.84	
Electricity, Power & Fuel	296.18		445.16	
Promotion Fund Expenses on Import	11.71		15.49	
Consumption of Stores & Spares	400.23		462.33	
Factory Expenses	220.97		273.91	
		19,823.94		29,208.73
<b>Administrative / Selling &amp; Distribution Expenses</b>				
Bank Commission & Charges	115.63		258.88	
Electrical Charges	35.78		52.72	
Telephone, Internet and Fax Charges	69.76		84.27	
Local Travelling and Conveyance	89.67		67.30	
Legal & Professional fees	605.43		559.62	
Audit Fees	12.79		14.53	
Printing & Stationery	34.45		62.11	
Repairs & Maintenance (Other)	108.45		144.13	
Repairs & Maintenance (Building)	5.70		9.42	
Repairs & Maintenance (Plant & Machinery)	92.86		133.06	
Repairs & Maintenance (Windmill)	267.73		247.77	
Postage and Courier	33.52		66.59	
Bad Debts	35.76		59.53	
Provision for Doubtful Debts	10.23		-	
Rates & Taxes	0.02		0.02	
Motor Car Expenses	55.22		76.94	
Insurance Premium	141.57		136.39	
Rent & Compensation	235.84		252.78	
Donation	10.70		49.91	
CSR Expenditure	116.84		112.50	
Office Canteen Expenses	57.81		79.91	
Office Expenses	40.23		42.67	
Director's Sitting Fees	2.90		2.60	
Sundry Expenses	121.12		150.47	
Security Charges	52.46		93.37	
Registration & Filing Charges	0.14		0.71	
Membership and Subscription	20.21		23.91	
Service Tax paid	-		223.22	
Preliminary exp written off	0.04		0.05	
Advertisement	6.03		15.81	
Sales Expenses	41.26		341.74	
Foreign Travelling	35.83		285.42	
Commission on Sales	181.64		300.44	
Re-Assortment Charges	10.85		20.66	
Freight & Clearing Charges	267.29		345.62	
Agency Charges	14.82		23.82	
E.C.G.C. Premium	64.79		182.75	
Diamond Grading Charges	677.18		871.59	
Packing Expenses	47.66		80.23	
		3,720.21		5,473.46
<b>Total</b>		<b>23,544.15</b>		<b>34,682.19</b>

\* Bad debts is net of recovery of Rs. 36.46 lacs by way of Insurance claim.

## 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	198.81
Employers Contribution to Employees State Insurance Scheme	27.62
Employers Contribution to Labour Welfare Fund	0.58

## b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2021 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	6.87 %
b) Rate of Discounting	6.87 %
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	1,232.39
b) Current Service Cost	94.42
c) Interest Cost	84.47
d) Benefit Paid from the fund	(98.46)
e) Benefit Paid Directly by the Employer	(49.65)
f) Actuarial (gain)/loss on obligation	458.29
g) Present value of obligation as at end of the year	1,721.46
<b>III) Change in fair value of Plan Assets</b>	
a) Fair value of the Plan Assets at the beginning of the year	502.57
b) Interest Income	34.48
c) Contributions by the Employer	23.39
d) Benefit Paid from the fund	(98.46)
e) Return on Plan Assets, Excluding Interest Income	(5.08)
f) Fair value of Plan Assets at the end of the year	456.90
<b>IV) Amount Recognized in the Balance Sheet</b>	
a) Present value of benefit obligation at the end of the year	(1,721.46)
b) Fair Value of Plan Assets at the end of the year	456.90
c) Funded Status (Surplus/ (Deficit))	(1,264.56)
d) Net (Liability)/Asset Recognized in the Balance Sheet	(1,264.56)
<b>V) Expenses Recognized in the Statement of Profit &amp; Loss</b>	
a) Net Interest Cost	49.99
b) Current Service Cost	94.42
c) Expenses recognized in Profit & Loss Statement	144.41

(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	458.29
b) Return on Plan Assets, excluding Interest Income	5.08
c) Net (Income)/Expense for the Period Recognized in OCI	463.37
<b>VII) Sensivity Analysis</b>	
Projected Benefit Obligation on Current Assumptions	1,721.46
Delta effect of +1% change in rate of Discounting	(150.96)
Delta effect of -1% change in rate of Discounting	175.77
Delta effect of +1% change in rate of Salary Increase	158.34
Delta effect of -1% change in rate of Salary Increase	(140.67)
Delta effect of +1% change in rate of Employee Turnover	35.37
Delta effect of -1% change in rate of Employee Turnover	(39.89)

**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. 2,40,10,200/- for the financial year 2020-21, which is based on relevant share capital as on March 31, 2021. 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	2020-2021	2019-2020
Current tax	981.19	1,363.20
Deferred tax	(1,449.59)	81.37
<b>Income tax expense recognised in statement of profit and loss</b>	<b>(468.40)</b>	<b>1,444.57</b>

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

(Rs. in lacs)

PARTICULARS	2020-2021	2019-2020
Profit before tax	5,935.22	7,761.43
Applicable tax rate	25.17 %	34.32 %
<b>Computed Tax Expense</b>	<b>1,493.90</b>	<b>2,663.72</b>
<b>Tax effect of:</b>		
Exempted income	(716.60)	(86.40)
Expenses disallowed	402.39	459.25
Differential tax rate on income of SEZ unit & dividend from foreign subsidiary	-	(158.43)
Non taxable subsidiaries and effect of differential tax rate under various jurisdiction	(275.50)	(1,514.94)
Others	77.00	-
<b>Current Tax Provision</b> A	<b>981.19</b>	<b>1,363.20</b>
Decremental Deferred tax Liability on account of Tangible Assets	(1,591.52)	165.09
(Incremental)/ Decremental Deferred tax Liability on account of other items	141.93	(83.72)
<b>Deferred Tax Provision</b> B	<b>(1,449.59)</b>	<b>81.37</b>
<b>Tax Expenses recognised in Statement of Profit and Loss</b> A+B	<b>(468.40)</b>	<b>1,444.57</b>
Effective Tax Rate	(7.89 %)	18.61 %

**34. RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH, 2021:**

(i) List of Related Parties and relationships:

(A) Particulars of Enterprises controlled by the Company	Relationship
<b>Name of Related Party</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) Particulars of Key Management Personnel	Relationship
<b>Name of Related Party</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
(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	
Pooja P. Shah	
Sujata V. Shah	
Mihir Kothari	
Rasila A. Shah	
Gemasia B.V. (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	2020-2021		2019-2020	
		Volume	Amount Outstanding as on 31.03.2021	Volume	Amount Outstanding as on 31.03.2020
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	10,114.38	3,697.56	11,229.79	2,686.90
	Jewel Art	735.34	411.25	246.54	246.96
	Gemasia B.V.	4,276.78	2,730.91	3,886.77	1,418.05
Sale of Rough Diamonds	A. M. Exports	Nil	Nil	210.79	Nil
Purchase of Rough Diamonds	Asian Star DMCC	15,457.03	8,165.97	34,057.66	9,129.51
	Gemasia B.V.	245.37	Nil	432.70	Nil
Purchase of Polished Diamonds	A. M. Exports	3,766.96	1,277.83	2,312.40	165.85
	Mihir R. Kothari	166.62	7.10	322.53	18.42
	Asian Star Co. Ltd. - (U.S.A.)	270.27	270.27	Nil	Nil
	Gemasia B.V.	405.42	355.80	154.31	156.67
	Jewel Art	166.82	52.85	Nil	Nil
Dividend Received	Asian Star DMCC	261.19	Nil	247.93	Nil
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	Nil	178.75	Nil	178.75
	Asian Star Trading (Hong Kong) Ltd.	Nil	103.58	Nil	103.58
	Asian Star DMCC	Nil	62.23	Nil	62.23
Corporate Guarantee given *The difference in value as on 31 March is due to change in exchange rate	Asian Star Trading (Hong Kong) Ltd.	Nil	Nil	Nil	18,092.62
	Asian Star DMCC*	Nil	7,350.47	Nil	7,538.59
Corporate Guarantee Commission Received	Asian Star Trading (Hong Kong) Ltd.	87.10	Nil	90.46	90.46
	Asian Star DMCC	36.27	Nil	37.69	37.69
Directors' Remuneration	Dinesh T. Shah	Nil	Nil	125.00	Nil
	Arvind T. Shah	Nil	Nil	125.00	Nil
	Vipul P. Shah	Nil	Nil	175.00	Nil
	Priyanshu A. Shah	100.00	Nil	100.00	Nil
	Rahil V. Shah	75.00	Nil	75.00	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil	0.96	Nil
	Arvind T. Shah	0.96	Nil	0.96	Nil
	Dharmesh D. Shah	0.72	Nil	0.72	Nil
	Vipul P. Shah	0.96	Nil	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30.00	Nil	30.00
	Arvind T. Shah	Nil	30.00	Nil	30.00
	Dharmesh D. Shah	Nil	20.00	Nil	20.00
	Vipul P. Shah	Nil	30.00	Nil	30.00
Unsecured Loans Taken/(Repaid) - (Net)	Dinesh T. Shah	20.01	6,317.02	(30.99)	6,297.01
	Arvind T. Shah	(41.99)	973.18	278.00	1,015.17
	Dharmesh D. Shah	(154.00)	758.30	(10.00)	912.30
	Vipul P. Shah	(1,261.92)	3,817.63	(27.01)	5,079.56
	Priyanshu A. Shah	(156.00)	624.23	59.34	780.23
	Rahil V. Shah	50.00	50.00	Nil	Nil
Interest Paid on Director's Loan	Dinesh T. Shah	Nil	198.00	110.00	198.00
	Vipul P. Shah	Nil	202.50	112.50	202.50
Contract for Processing Diamonds	Shah Manufacturers	3,142.95	387.38	4,555.89	(409.78)

(Rs. in lacs)

Particulars	Name of the Party	2020-2021		2019-2020	
		Volume	Amount Outstanding as on 31.03.2021	Volume	Amount Outstanding as on 31.03.2020
Sale of Jewellery / Sale of Services / Rubber Moulds / Colour Stones / Diamonds / RPT etc.	Rahil V Shah	31.14	Nil	Nil	Nil
	Sujata V Shah	Nil	Nil	11.49	Nil
	Rasila A. Shah	33.83	Nil	Nil	Nil
	Pooja P. Shah	Nil	Nil	2.32	Nil
	Priyanshu A. Shah	Nil	Nil	1.99	Nil
	Vipul P. Shah	Nil	Nil	0.83	Nil
	Arvind T. Shah	10.50	Nil	Nil	Nil
	Asian Star Co. Ltd. - (U.S.A.)	52.71	5.93	19.39	7.60
	Jewel Art	59.60	20.87	222.82	128.00
Purchase of Gold, Silver and Other Materials	Asian Star Co. Ltd. - (U.S.A.)	39.10	Nil	10.26	10.26
	Jewel Art	20.64	Nil	42.77	Nil
Sale of Machinery	Jewel Art	18.67	12.14	0.14	Nil

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. The Investment balance in Joint Venture as on 31.3.2021 is Rs. 2,726.56 lacs based on the latest available financials of the joint venture entity.

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. 114.41 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	116.84	-	116.84

37. a) The Company has disputed liability of Rs. 3.32 crores (As on 31.3.2020 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.

b) The Company has disputed Income tax liability of Rs. 8.03 crores for A.Y. 2012-13, Rs. 0.43 crores for A.Y. 2017-18 & Rs. 7.45 crores for A.Y. 2018-19 (As on 31.3.2020 it was Rs. 8.96 crores for A.Y. 2012-13 & Rs. 0.43 crores for A.Y. 2017-18). Out of Rs. 7.45 crores for A.Y. 2018-19, demand for Rs. 7.18 crores is on account of errors in tax calculations by the department which will be rectified in due course. The Company is of the opinion that these demands are not tenable and has filed appeal against them with Commissioner of Income Tax (appeals).

The above 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	
		31ST MARCH, 2021	31ST MARCH, 2020
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

### 39. EARNING PER SHARE

PARTICULARS	2020-2021	2019-2020
Profit After Tax (Rs. in lacs)	6,393.33	6,340.41
Number Of Equity Shares	160,06,800	1,60,06,800
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share (Basic) (Rs.)	39.94	39.61

### 40. FINANCIAL INSTRUMENTS DISCLOSURE

#### FINANCIAL ASSETS

(Rs. in lacs)

PARTICULARS	AS AT	
	MARCH 31, 2021	MARCH 31, 2020
<b>NON-CURRENT</b>		
Investments - (refer note 2)		
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	2,010.00
Utkarsh Coreinvest Ltd.	117.00	117.00
Arohan Financial Services Ltd	220.17	-
<b>Other Investments</b>		
Ratnanjali Infra LLP (Partnership Firm)	2,726.56	2,447.19
<b>Aggregate fair value</b>	<b>5,073.73</b>	<b>4,853.56</b>
<b>Aggregate book value</b>	<b>5,073.73</b>	<b>4,853.56</b>
Gain / (Loss) on fair value recognised in P&L	-	-
Other Financial Assets	43.03	66.17
<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		
Axis Bank Ltd	-	26.76
Aarti Industries Ltd	12.38	156.55
Aegis Logistics Ltd	-	66.27
Amber Enterprises India Ltd	256.43	96.77
APL Apollo Tubes Ltd	5.77	76.52
Appollo Tricoat Tubes Ltd	350.32	-
Aavas Financers Ltd	10.23	2.54
Aarti Surfactants Ltd	-	0.24
Astral Poly Technik Ltd	3.99	2.52
Affle India Limited	4.15	-
Alkem Lab Ltd	-	4.67
Au Small Fin Bank	12.72	5.30
Bajaj Auto Ltd	57.61	28.43
Bajaj Finance Ltd	255.72	114.05
Bandhan Bank	-	0.85
Bajaj Finserve Ltd	12.57	4.91
Berger Paints India Ltd	9.05	8.08
Britannia Industries Ltd	-	6.62
Bayer Cropscience Ltd	-	1.24
Birla Corporation Ltd	-	3.45
Blue Star Limited	-	2.21
Bharti Airtel Ltd	57.95	-
Cholamandalam Inv & Fin Co Ltd	-	1.55
Canfin Homes Ltd	-	69.36
Dabur India Ltd	5.19	6.99
Divis laboratories Ltd	67.95	37.23
Dixon Technologies (I) Ltd	11.19	-
Development Credit Bank Ltd	-	4.10
Deepak Nitrate Ltd	99.13	-
Dhanuka Agritech Ltd	-	1.09

(Rs. in lacs)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2021	MARCH 31, 2020
Dr Lal Path Ltd	-	4.05
Gujarat Gas Ltd	8.61	1.75
Gabriel India Ltd	-	1.44
Glaxo Smithkline Consumer Healthcare Ltd	-	1.60
Gland Pharma Ltd	100.85	-
HDFC Bank Ltd	212.28	131.58
Havells India Ltd	8.68	4.73
HDFC Life Ins Co Ltd	115.67	70.01
Hindustan Unilever Ltd	5.27	4.76
ITD Cement India Ltd	-	0.50
Indiamart Intermesh Ltd	2.40	-
INFO Edge (India) Ltd	171.05	81.45
IIFL Finance Ltd	-	0.26
IIFL Securities Ltd	-	0.11
ICICI Lombard General Ins Co. Ltd	8.24	4.65
ICICI Securities Ltd	-	0.72
KEI Industries Ltd	78.30	59.94
Kaveri Seed Co Ltd	-	1.65
Kalyan Jewelers India Ltd	31.85	-
Kajaria Ceramics Ltd	-	4.18
L & T Technology Services Ltd	92.82	-
Laurus Labs Ltd	95.23	-
Mahanagar Gas Ltd	-	3.64
Metropolis Healthcare Ltd	4.46	-
Mphasis Ltd	104.19	-
MAS Fin Serv Ltd	3.23	2.47
Nestle India Ltd	-	3.42
Navin Fluorine Intl Ltd	180.09	122.54
Odisha Cement Ltd	-	45.85
Qess Corp Ltd	-	0.94
P I Industries Ltd	3.72	2.81
Pidilite Ind Ltd	-	6.62
Page Industries Ltd	8.80	5.08
Reliance Industries Ltd	66.37	-
Reliance Communications Ltd	1.73	0.69
Relaxo Footware Ltd	3.30	3.47
Route Mobile Ltd	87.65	-
Radico Khaitan Ltd	3.34	-
Shilpa Medicare Ltd	-	28.46
Sterling & Wilson Solar Ltd	-	0.10
SBI Life Insurance Co. Ltd	-	2.44
Shree Cements Ltd	5.90	2.11
Sanofi India Ltd	2.60	1.87
SRF Ltd	6.81	-
Solar Industries Ltd	3.22	2.07
Suprajit Engg Ltd	-	0.72
Tata Elexi Ltd	84.38	16.39
Tata Consultancy Service Ltd	77.53	44.48
Titan Company Limited	66.17	40.94
Torrent Pharmaceuticals Ltd	4.17	-
TTK Prestige Ltd	-	3.89
United Spirits Ltd	55.65	48.51
Vaibhav Global Ltd	11.47	-
V-Mart Retail Ltd	-	0.51
VIP Industries Ltd.	-	29.29

(Rs. in lacs)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2021	MARCH 31, 2020
Varun Beverages Ltd	98.11	77.34
Axis Blue Chip Direct - Growth	102.82	-
HDFC Small Cap Fund Direct Growth Plan	89.53	31.40
Kotak Select Focus Fund Direct Plan Growth	105.18	62.58
Motilal Oswal Most Focused Multicap 35 Fund	-	74.47
Mirae Asset Midcap Fund Direct Plan	32.25	-
Reliance Liquid Fund- Div Reinvestment	0.01	0.29
<b>Aggregate fair value of quoted investments</b>	<b>3,376.25</b>	<b>1,767.11</b>
<b>Aggregate book value of quoted investments</b>	<b>1,719.31</b>	<b>2,251.73</b>
Gain / (Loss) on fair value recognised in P&L	1,656.94	(484.62)
<b>ii) Trade Receivables - At amortised cost</b>	<b>80,644.54</b>	<b>66,711.40</b>
<b>iii) Cash and Cash Equivalents (refer note 9)</b>		
Balances with Banks in Current accounts	16,284.13	17,199.20
Fixed Deposits with Banks	6,799.70	6,994.36
Cash on hand	15.76	19.39
<b>iv) Other Bank Balances (refer note 10)</b>	<b>10,288.74</b>	<b>9,897.28</b>
<b>v) Loans &amp; Advances (refer note 11)</b>		
Loans (Considered good unless otherwise stated)		
At Amortised Cost		
Unsecured, considered good - At amortised cost	8,170.61	12,219.46
<b>vi) Other Financial Assets (refer note 12)</b>		
Derivatives - Foreign Exchange Contracts -At FVTPL	-	265.04
<b>Total Financial Assets</b>	<b>1,30,719.79</b>	<b>1,20,016.29</b>

## FINANCIAL LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2021	MARCH 31, 2020
<b>NON-CURRENT</b>		
<b>Borrowings (refer note 15)</b>		
At Amortised cost		
Loans from related parties-Directors	5,123.50	4,877.36
Loan from Others	-	206.65
<b>CURRENT</b>		
<b>i) Borrowings (refer note 20)</b>		
At Amortised cost		
Secured working Capital Loan from Banks	42,158.05	52,289.44
Loans from related parties-directors & Others	7,623.51	8,960.77
<b>ii) Trade Payables (refer note 21)</b>		
At Amortised Cost		
Creditors for Goods	19,526.67	6,553.51
Creditors for Processing	2,380.91	6,468.54
<b>iii) Other Financial Liabilities- At FVTPL (refer note 22)</b>		
Derivatives Foreign Exchange contracts	16.61	302.48
<b>Total Financial Liabilities</b>	<b>76,829.25</b>	<b>79,658.75</b>

## 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 liability accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use while pricing the asset or liability, assuming that market participants act in their best economic 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 are evaluated by the Group based on parameters such as interest rates, specific country risk factors and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses, if any, of these receivables.
- The fair values of the quoted equity shares are based on price quotations at the reporting date (Level 1 inputs).
- The Company enters into derivative financial instruments in the form of Foreign exchange Forwards & Options contracts. The counterparties of these contracts are Banks. These derivatives constitute hedge from an economic perspective and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly in the Revenue from Sale of Products or Purchase in the Statement 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.

## FINANCIAL INSTRUMENTS BY CATEGORY

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2021			AS AT MARCH 31, 2020		
	FVTPL	FVOCI	AMORTISED COST	FVTPL	FVOCI	AMORTISED COST
<b>FINANCIAL ASSETS</b>						
<b>Non-Current</b>						
Investments	5,073.73	-	-	4,853.56	-	-
Other Financial Assets	-	-	43.03	-	-	66.17
<b>Current</b>						
Investments	3,399.56	-	-	1,790.42	-	-
Trade Receivables	-	-	80,644.54	-	-	66,711.40
Cash and Cash Equivalents	23,099.59	-	-	24,212.96	-	-
Other Bank balances	10,288.74	-	-	9,897.28	-	-
Loans & Advances	-	-	8,170.60	-	-	12,219.46
Other Financial Assets	-	-	-	-	-	-
Derivatives - Foreign Exchange Contracts	-	-	-	265.04	-	-
<b>FINANCIAL LIABILITIES</b>						
<b>Non-Current</b>						
Borrowings	-	-	5,123.50	-	-	5,084.01
<b>Current</b>						
Borrowings	-	-	49,781.57	-	-	61,250.21
Trade Payables	-	-	21,907.58	-	-	13,022.05
Derivatives - Foreign Exchange Contracts	16.61	-	-	302.48	-	-

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

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 (Level1)	Significant observable inputs (Level2)	Significant observable input (Level3)
<b>Assets measured at fair value (Note No. 2,7,9,10)</b>					
Investments					
Non-Current	31.03.21	5,073.73	-	5,073.73	-
Current	31.03.21	3,399.56	3,399.56	-	-
Cash and Cash Equivalents	31.03.21	23,099.59	-	-	-
Other Bank Balances	31.03.21	10,288.74	-	-	-
<b>Assets for which fair values are disclosed (Note No. 3,8,11)</b>					
Loans & Advances (current)	31.03.21	8,170.60	-	8,170.61	-
Other Financial Assets Non - Current	31.03.21	43.03	-	43.03	-
Trade Receivables	31.03.21	80,644.54	-	80,644.54	-
<b>Liabilities measured at fair value (Note No. 22)</b>					
Derivatives - Foreign Exchange Contracts	31.03.21	16.61	16.61	-	-
<b>Liabilities for which fair values are disclosed (Note No. 15,20,21)</b>					
Borrowings					
Non-Current	31.03.21	5,123.50	-	5,123.50	-
Current	31.03.21	49,781.57	-	49,781.57	-
Trade Payables	31.03.21	21,907.58	-	21,907.58	-

Rs.in Lacs)

PARTICULARS	Date of Valuation	Total	Fair Value measurement using		
			Quoted Prices in the active market (Level1)	Significant observable inputs (Level2)	Significant observable input (Level3)
<b>Assets measured at fair value (Note No. 2,7,9,10,12)</b>					
Investments					
Non-Current	31.03.20	4,853.56	-	4,853.56	-
Current	31.03.20	1,790.42	1,790.42	-	-
Cash and Cash Equivalents	31.03.20	24,212.96	-	-	-
Other Bank Balances	31.03.20	9,897.28	-	-	-
Derivatives - Foreign Exchange Contracts	31.03.20	265.04	265.04	-	-
<b>Assets for which fair values are disclosed (Note No. 3,8,11)</b>					
Loans & Advances (Current)	31.03.20	12,219.46	-	12,219.46	-
Other Financial Assets Non-Current	31.03.20	66.17	-	66.17	-
Trade Receivables	31.03.20	66,711.40	-	66,711.40	-
<b>Liabilities measured at fair value (Note No. 22)</b>					
Derivatives - Foreign Exchange Contracts	31.03.20	302.48	302.48	-	-
<b>Liabilities for which fair values are disclosed (Note No. 15,20,21)</b>					
Borrowings					
Non-Current	31.03.20	5,084.01	-	5,084.01	-
Current	31.03.20	61,250.21	-	61,250.21	-
Trade Payables	31.03.20	13,022.05	-	13,022.05	-

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 31/3/2021 and 31/3/2020 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 / 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, 2021. Of the total trade receivables, Rs. 73,105 lacs as at March 31, 2021 and Rs. 50,530 lacs as at March 31, 2020 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. 218 lacs as at March 31, 2021 and Rs. 62 lacs as at March 31, 2020 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 upto 180 days. The ageing of trade receivables that are past due but not impaired is given below:

PERIOD IN DAYS	(Rs. in lacs)	
	AS AT MARCH 31, 2021	AS AT MARCH 31, 2020
1-90	6,272	11,665
91-180	235	2,583
More than 180	1,033	1,933
<b>Total</b>	<b>7,539</b>	<b>16,181</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 31<sup>st</sup> March:

**Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2021:** (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	4,437.42	35,960.25	9,177.25	5,330.15
Interest on Borrowings	1.45	-	-	-
Trade payables	10,811.66	6,424.72	4,671.20	-
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts - Financial Liabilities	5.04	-	-	11.57

**Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2020:** (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	7,704.99	38,832.31	14,712.90	5,084.01
Interest on Borrowings	23.73	-	-	-
Trade payables	4,822.48	5,155.55	3,044.02	-
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts - Financial Assets	241.40	-	23.65	-
Net settled derivative contracts - Financial Liabilities	222.42	-	80.06	-

\*The Maturity analysis of the bank borrowings is without considering the moratorium period allowed by the bank to repay the loans.

**Market Risk**

Market risks include Interest Rate Risk, foreign Currency Risk and Commodity Price Risk.

**Interest Rate Risk**

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

**Foreign Exchange Risk**

The Company is exposed to foreign exchange risk principally via:

- transactional exposure that arises from the sales / receivables denominated in a currency other than the functional currency of the company
- transactional exposure that arises from the cost of goods sold / payables / 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 31<sup>st</sup> March, 2021 covers 4 Kgs and for purchase of Silver covers 90 Kgs. (For F.Y. 2019-20 it was for Sale of Gold 3.5 Kgs and for Purchase of Silver 510 kgs). Sensivity 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, 2021	AS AT MARCH 31, 2020
<b>Variable rate borrowings</b>		
Rs. Loan from bank (Rs. in lacs)	-	487
Foreign currency Loan (\$ in million)	57	64

**Interest Rate Risk Sensivity**

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

(Rs. in lacs)

IMPACT ON PROFIT & LOSS	2020 - 2021	2019 - 2020
<b>For \$ Borrowings</b>		
Increase in Interest rate - 50 basis points p.a.	(211)	(259)
Decrease in Interest rate - 50 basis points p.a.	211	259
<b>For Rs. Borrowings</b>		
Increase in Interest rate - 75 basis points p.a.	-	(4)
Decrease in Interest rate - 75 basis points p.a.	-	4

**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, 2021	AS AT MARCH 31, 2020
<b>Financial Assets</b>		
Trade Receivables	69.72	59.27
Cash and Cash Equivalents	3.54	0.11
Derivatives Forward contracts (Net)	-	83.20
<b>Financial Liabilities</b>		
Borrowings	50.16	63.52
Trade payables	31.35	18.99
Derivatives Forward contracts (Net)	4.50	-

**FOREIGN CURRENCY RISK SENSIVITY**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(Rs. in lacs)

PARTICULARS	2020-2021	2019-2020
<b>USD</b>		
USD-INR Increase by 1%	(94)	453
USD-INR decrease by 1%	94	(453)

**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 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 was 31% and 36%, respectively.

**42. COLLATERALS**

The Company has obtained working capital loan from banks which are secured as on 31.03.2021 by:

- Fixed deposits - Value Rs. 16,412 lacs
- Hypothecation of Stock in trade and Trade receivables - Value Rs. 1,36,197 lacs
- Mortgage of premises at Mumbai & Surat - Value Rs. 17,712 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. 29.81 crores (for F.Y. 2019-20 it was Rs. (22.47 crores).

- Purchases - Rs. 14.15 crores (for F.Y. 2019-20 it was Rs. 153.85 crores).

44. Sales include Insurance claim for loss of diamonds Rs. 281.42 lacs (for F.Y. 2019-20 it was Rs. Nil).

#### 45. 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 the standalone financial statements.

PARTICULARS	(Rs. in lacs)	
	2020 - 2021	2019 - 2020
<b>1. Segment - Reveue</b>		
- Diamonds	2,14,364.63	2,62,944.50
- Jewellery	53,391.87	65,331.51
- Others	2,234.46	123.48
<b>Total</b>	<b>2,69,990.96</b>	<b>3,28,399.49</b>
Less: Inter Segment Revenue / Transfer	13,766.92	23,496.21
<b>Net Sales / Revenue</b>	<b>2,56,224.04</b>	<b>3,04,903.28</b>
<b>2. Segment Results</b>		
Profit/(Loss) Before Tax and Interest from each segment		
- Diamonds	3,933.03	7,374.90
- Jewellery	1,092.34	2,795.96
- Others	1,631.62	(443.46)
<b>Total</b>	<b>6,656.99</b>	<b>9,727.40</b>
Less:		
i) Finance Costs (Net)	356.86	1,965.97
ii) Exceptional Item Loss	364.91	-
iii) Other un - allocable expenses	-	-
<b>Total</b>	<b>721.77</b>	<b>1,965.97</b>
<b>Total Profit Before Tax</b>	<b>5,935.22</b>	<b>7,761.43</b>
<b>3. Capital Employed</b>		
- Diamonds	85,922.93	83,173.32
- Jewellery	21,407.82	20,623.76
- Others	13,858.46	12,508.12
<b>Total Capital Employed</b>	<b>1,21,189.21</b>	<b>1,16,305.20</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.

46. Loss due to misappropriation of goods by employee of parent company - net of Insurance claim is Rs. 3.45 lacs (for F.Y. 2019-20 it was Rs. Nil).

#### 47. 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 Manufacturers
	USD		USD		USD		Rs.
	USD	Rs.	USD	Rs.	USD	Rs.	Rs.
Capital	5.00	178.75	0.54	12.01	1.28	57.40	
Other Equity	3.08	415.00	521.87	38,388.20	7.90	617.28	*(184.44)
Total Assets	74.31	5,462.49	603.73	44,376.66	52.69	3,872.88	677.46
Total Liabilities	74.31	5,462.49	603.73	44,376.66	52.69	3,872.88	677.46
Investments	-	-	-	-	-	-	-
Turnover/Total Income	171.91	12,732.14	1,326.74	98,263.87	9.04	669.52	3,139.57
Profit Before Taxation	0.02	1.64	18.84	1,335.38	0.48	35.22	12.10
Provision for Taxation	0.07	5.36	-	-	0.03	1.95	1.81
Profit After Taxation	(0.05)	(3.72)	18.84	1,335.38	0.45	33.27	10.29
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

#### 48. INVESTMENT PROPERTY

As on 31.3.2017, the Company had transferred one property from "owner-occupied property" to investment property in accordance with IndAS 40. The accounting policy adopted by the Company for measuring this property was the cost model as prescribed in IndAS 40. There are no direct operating expenses or rental income from this property in the current reporting period. There are no restrictions on the realisability of this property or the remittance of income and proceeds of disposal nor any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Though the Company measures investment property using cost based measurement, the fair value of investment property as on 31.3.17 was Rs. 5,084 lacs. Fair values 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.

#### 49. IMPACT OF COVID-19 (GLOBAL PANDEMIC)

Outbreak of COVID 19 towards the end of FY 2019-20 severely hit the Gems & Jewellery Industries along with the entire economy. Lockdown in various parts of the globe, travel restrictions, cancellation of trade exhibitions and shows and various measures taken to prevent the spread of Covid almost brought the industry to a standstill in the first few months of the FY 2020-21.

Operations of the Company and its subsidiaries too were affected by COVID 19 disruption like the entire industry. During the first few months there were negligible activities as all the production facilities and offices were shut during the lockdown and other restrictions imposed across the globe impacting the sales and profitability for the year. However, with gradual relaxation and unlocking measures implemented by various state governments in India as well as global markets, the business activity begun slowly and steadily. With all the production facilities fully operational, business started reviving in the second quarter, and continued growing at a steady pace. Revenue improved quarter on quarter and was back to normalcy in the third quarter. With major consumption centres out of the grip of COVID 19, and their vaccination drive to be completed within next few months, the Company expects a promising year ahead albeit the hiccups and uncertainty in the short and medium term cannot be ruled out.

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

As per our report of even date

**FOR MAHENDRA DOSHI & ASSOCIATES**

Chartered Accountants  
FRNo: 105765W

**MAHENDRA DOSHI**  
Proprietor  
Membership No. 41316

Place : Mumbai  
Dated: May 14, 2021  
UDIN: 21041316AAAAIR9048

**For and on behalf of the Board**

**SUJATA NADGOUDA**  
Company Secretary

Place : Mumbai  
Dated: May 14, 2021

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

Place : Mumbai  
Dated: May 14, 2021

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

Place : Mumbai  
Dated: May 14, 2021

**CORPORATE INFORMATION**

**Board of Directors**

Dinesh T. Shah  
Chairman & CFO

Vipul P. Shah  
CEO & Managing Director

Arvind T. Shah  
Executive Director

Rahil V. Shah  
Executive Director

Priyanshu A Shah  
Director

Dharmesh D. Shah  
Director

K. Mohanram Pai  
Director

Apurva R. Shah  
Director

Anand H. Gandhi  
Director

Milind H. Gandhi  
Director

Miyar R. Nayak  
Director

Neha Gada  
Director

**Company Secretary**

Sujata Nadgouda

**Registrar & Transfer Agents**

Bigshare Services Pvt. Ltd., Hong Kong  
E- 2/ 3, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka,  
Andheri (E), Mumbai - 400 072.  
Tel: 62638200 Fax: 62638299.  
Email: info@bigshareonline.com

**Bankers**

Bank of India

Bank of Baroda

Bank of Maharashtra

Canara Bank

Central Bank of India

HDFC Bank

IDBI Bank

Indian Bank

Indusind Bank Ltd.

Kotak Mahindra Bank Ltd.

RBL Bank

State Bank of India

Union Bank of India

**Auditors**

Mahendra Doshi & Associates  
Chartered Accountants

**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



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



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