



Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

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

Email - info@asianstargroup.com, **Website** - www.asianstargroup.com, **Tel No:** +91 22 22821886, **Fax:** +91 22 22043747

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of Asian Star Company Limited will be held on Friday, September 12, 2014 at 4.00 p.m. at Sangam Hall, Agarwal Bhavan, 100-C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai-400002 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit & Loss for the year ended March 31, 2014 and the Balance Sheet as at that date with the Report of the Directors and that of the Auditors thereon.
2. To declare dividend for the year 2013-2014 on Equity Shares.
3. To appoint a Director in place of Shri Priyanshu A. Shah, (DIN: 00004759), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri Dharmesh D. Shah, (DIN: 00004704), who retires by rotation and is eligible for re-appointment.
5. To consider and if thought fit pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** M/s. V A Parikh & Associates, Chartered Accountants (FR. number- 112787W), the retiring Auditors of the Company be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by Board of Directors of the Company”.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** Mr. Rahil V. Shah (DIN 06811700), who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 17, 2014, in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and Articles of Association of the Company, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Executive Director of the Company, liable to retire by rotation for a term of 5 consecutive years from January 17, 2014 on the following terms:

- a) Remuneration of Rs 30,00,000/- (Rupees Thirty Lacs Only) per annum as per Schedule V of the Act.
- b) Perquisites and benefits as per Schedule V of the Act.
- c) Powers and duties as per the provisions of the Articles of Association of the Company.

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

7. 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. Bhupendra K. Shroff (DIN No. 00004596), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for the term of five years.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

8. 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. Hasmukh Gandhi (DIN No. 00009153), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for the term of five years.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

9. 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. K. Mohanram Pai (DIN No. 00007198), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for the term of five years.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

10. 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. Apurva Shah (DIN No. 00004781), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for the term of five years.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

11. 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. Milind Gandhi (DIN No. 01658439), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company for the term of five years.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

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

“RESOLVED THAT Mr. Miyar R. Nayak (DIN 03352749), who was appointed as an Additional Director by the Board of Directors of the Company with effect from January 17, 2014, in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and Articles of Association of the Company and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as Independent Director of the Company for the term of five years.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

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

“RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting of the company held on 19th September, 2013 and pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the members of the company be and is hereby accorded to the revision in the remuneration payable to Mr. Vipul P. Shah (DIN 00004746), CEO & Managing Director of the company for the remaining term of his tenure as the Managing Director, with effect from October 1, 2014 on the following terms :

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

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

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

“RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting of the company held on 19th September, 2013 and pursuant to the provisions of Sections 197, 198 Schedule V and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the members of the company be and is hereby accorded to the revision in the remuneration payable to Mr. Arvind T. Shah (DIN 00004720), Executive Director of the company for the remaining term of his tenure, with effect from October 1, 2014 on the following terms :

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

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

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

“RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting of the company held on 19th September, 2013 and pursuant to the provisions of Sections 197, 198 Schedule V and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the members of the company be and is hereby accorded to the revision in the remuneration payable to Mr. Priyanshu A. Shah (DIN: 00004759), Executive Director of the company for the remaining term of his tenure, with effect from October 1, 2014 on the following terms :

- a) Remuneration of Rs 75,00,000/- (Rupees Seventy Five Lacs Only) per annum as per Schedule V of the Act.
- b) Perquisites and benefits as per Schedule V of the Act.
- c) Powers and duties as per the provisions of the Articles of Association of the Company.

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

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

“RESOLVED THAT as recommended by Remuneration Committee and pursuant to the provisions of Sections 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, consent and approval of the Company be and is hereby accorded to the appointment of and the remuneration being paid or provided to Mr. Dinesh T. Shah (DIN 00004685) as Executive Chairman & CFO of the Company for a period of five years with effect from 1st April, 2014 on the following terms :

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby amended by deleting the existing Article 128 and substituting with following new Article 128 :

128. *Unless and otherwise determined by the company in a General Meeting, the number of directors of the Company shall not be less than 3 (three) not more than 15 (fifteen).”*

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

“RESOLVED THAT in supersession of resolution passed by the Members of the Company through Postal Ballot and recorded in Extra Ordinary Meeting held on 18th August, 2007 on the matter and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the Act and Companies Act, 1956 (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that

the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs. 2,500 crores (Rupees Two Thousand Five Hundred Crores only) and the Board be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

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

"RESOLVED THAT in supersession of resolution passed by the Members of the Company through Postal Ballot and recorded in Extra Ordinary Meeting held on 18th August, 2007 on the matter and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and Companies Act, 1956 (including any statutory modification or re-enactment thereof), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favor of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures (comprising fully / partly Convertible Debentures and / or Non- Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(c) of the Act (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange and the Board be and is hereby authorized to decide all terms and conditions in relation to such creation of charge, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for the aforesaid resolution and matter incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Directors or any one or more Directors of the Company."

Place: Mumbai
Dated: May 22, 2014

By Order of the Board

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

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

NOTES

1. The relative Explanatory Statement pursuant to Section 102 (1) of the Act, in respect of business under Item No. 6 to 19 set out above is annexed hereto. The relevant details of Directors seeking re-appointment/ appointment under Item Nos. 3, 4 and 7 to 12, pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
3. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. Members attending the Annual General Meeting (AGM) of the Company are requested to bring their copy of this Annual Report. Members are requested to hand over the Attendance Slip, duly filled in and signed in accordance with their specimen signature(s) registered with the Company for admission to the AGM hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
5. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Register of Transfers for equity shares will remain closed from September 8, 2014 to September 12, 2014 (both days inclusive) for payment of dividend on equity shares. The dividend as recommended by the Board of Directors, if declared at this Annual General Meeting, will be paid on or after September 12, 2014 to those shareholders whose names appear on the Company's Register of Members at the end of business hours on September 7, 2014. In respect of shares held in electronic mode, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of business hours on September 7, 2014 for this purpose.
7. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries at the registered office of the Company at least seven days in advance of the Meeting so that the information required can be made readily available at the meeting.
8. **Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.**
9. In view of The Ministry of Corporate Affairs ('MCA'), Government of India, circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011, Members desirous of receiving the Documents in electronic mode are hereby requested to write a letter addressed to our registered office address or e-mail us at secretarial@asianstargroup.com.
10. Members are requested to correspond with RTA for all matters relating to shareholding in the Company.
11. Members are requested to claim the unclaimed dividend if any, for the below mentioned financial years before the same are due for transfer to Investor's Education & Protection Fund.

Financial Year	AGM Date	Due Date *
2006-07	13 th AGM – 03.09.2007	08.10.2014
2007-08	14 th AGM – 04.09.2008	09.10.2015
2008-09	15 th AGM – 29.09.2009	03.11.2016
2009-10	16 th AGM – 21.09.2010	26.10.2017
2010-11	17 th AGM – 29.09.2011	03.11.2018
2011-12	18 th AGM – 05.09.2012	10.10.2019
2012-13	19 th AGM – 19.09.2013	24.10.2020

* Indicative dates mentioned above and actual dates may vary.

12. The instructions for members for voting electronically are as under:-

Applicable in all cases whether NOTICE is received by e-mail or in physical form:

A. Log on to the e-voting website www.evotingindia.com

B. Click on “Shareholders” tab.

C. Now, select the “ASIAN STAR COMPANY LIMITED” from the drop down menu and click on “SUBMIT”

D. Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

E. Next enter the Image Verification as displayed and Click on Login.

F. If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

G. If you are a first time user follow the steps given below:

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

H. After entering these details appropriately, click on “SUBMIT” tab.

I. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

J. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

K. Click on the EVSN for ASIAN STAR COMPANY LIMITED on which you choose to vote.

L. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

M. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

N. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

O. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

P. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

Q. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

The voting period begins on September 5, 2014 at 9.30 a.m. and ends on September 6, 2014 at 5.30 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 8, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

13. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company.

14. The shareholders can also access the Annual Report 2013-14 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., www.asianstargroup.com or on Stock Exchange websites, which is www.bseindia.com

Place: Mumbai
Dated: May 22, 2014

By Order of the Board

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

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

ANNEXURE TO NOTICE:

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 6:

The Board of Directors propose the appointment of Mr. Rahil V. Shah as the Director of the Company and recommend the resolution as set out in Item No. 6 for the approval of the shareholders at the ensuing Annual General Meeting.

Other than Mr. Rahil V. Shah and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item No. 6 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

ITEM NO. 7 TO 12:

The Board of Directors at its meeting held on January 17, 2014 has appointed Mr. Miyar R. Nayak as an Additional Non Executive – Independent Director on the Board of the Company. He retired as a General Manager, Head Office - Corporation Bank and was associated with Allahabad Bank as Executive Director during his banking tenure. Company believes that his knowledge and experience in retail & international banking and treasury operations will contribute in progress of the Company to a great extent.

In the opinion of the Board, all the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) add to that all the Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Your Directors believe that the association of Mr. Bhupendra K. Shroff, Mr. Hasmukh B. Gandhi, Mr. K. Mohanram Pai, Mr. Apurva Shah, Mr. Milind H. Gandhi, Mr. Miyar R. Nayak - the Independent Directors with the Company shall be beneficial in the growth of the Company and hence, the Board recommends the appointment of all these directors as Independent Directors of the Company up to 5 (five) consecutive years as set out in Item Nos. 7 to 12 for the approval of the shareholders at the ensuing Annual General Meeting.

Other than the Independent Directors of the Company and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 7 to 12 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

ITEM NO. 13

Mr. Vipul P. Shah – Managing Director and CEO of the Company is on the Board since incorporation of the Company. He is successfully handling Asian Star Group and has placed the Company in the list of Top Diamond Companies in India. Leading from front Mr. Vipul P. Shah is creating a brand image of Asian Star Company in the overseas as well.

The Board of Directors of the Company (“the Board”) at its meeting held on 26.05.2010 had appointed Mr. Vipul P. Shah-CEO & Managing Director of the Company w.e.f 01.01.2011 for a period of 5 years and had determined the remuneration payable to him during his tenure approved by the members in the Annual General Meeting held on September 21, 2010. Their remuneration was revised and approved by the members in the Annual General Meeting held on September 29, 2011 and on September 19, 2013.

Further, the Board has revised remuneration which is fixed in accordance with Schedule V of the Companies Act, 2013, payable to Mr. Vipul P. Shah, w.e.f 1st of October, 2014 for his remaining term as CEO & MD upto 31.12.2015 subject to the approval of the members. The Board has increased the remuneration from Rs 1,00,00,000 to Rs 1,25,00,000 for Mr. Vipul P. Shah (CEO & Managing Director).

All other terms of his appointment remain unchanged. The remuneration is approved by the members of Remuneration Committee. Shri Vipul P. Shah is interested in resolution no. 13.

ITEM NO. 14

Mr. Arvind T. Shah – Executive Director of the Company, an expert in diamond manufacturing activities and a key responsible person in procurement from overseas. His huge experience of 40 years in this field is generating value of the Company in the market. This Diamond processing expert is serving with his best knowledge from 40 years and proving his value by placing Asian Star group in well known business entities.

His tenure for 5 years as Executive Director of the Company and remuneration was decided in the board meeting held on 26.05.2010 which was approved by the members in the Annual General Meeting held on September 21, 2010. His remuneration was revised and approved by the members in the Annual General Meeting held on September 29, 2011 and on September 19, 2013.

The Board has revised remuneration which is fixed in accordance with Schedule V of the Companies Act, 2013, payable to Mr. Arvind T. Shah w.e.f 1st of October, 2014 for his remaining term subject to the approval of the members. The Board has increased his remuneration from Rs 1,00,00,000 to Rs 1,25,00,000 for which Company is seeking members approval. All other terms of his appointment remain unchanged. The remuneration is approved by the members of Remuneration Committee. Mr. Arvind T. Shah is interested in resolution no. 14.

ITEM NO. 15

Mr. Priyanshu A. Shah was introduced as the youngest Director on the Board in 2004. His remarkable performance in production and marketing functions from last ten years have proved his eligibility to perform the directorship of the Company. Bringing in the creativity in the jewellery designing he increased the glaze of the Company. His tenure for 5 years as Executive Director of the Company and remuneration was decided in the board meeting held on 26.05.2010 which was approved by the members in the Annual General Meeting held on September 21, 2010. His remuneration was revised and approved by the members in the Annual General Meeting held on September 29, 2011 and on September 19, 2013.

The Board has revised remuneration which is fixed in accordance with Schedule V of the Companies Act, 2013, payable to Mr. Priyanshu A. Shah w.e.f 1st of October, 2014 for his remaining term subject to the approval of the members. The Board has increased his remuneration from Rs 60,00,000/- to Rs 75,00,000/- for which Company is seeking members approval. All other terms of his appointment remain unchanged. The remuneration is approved by the members of Remuneration Committee. Mr. Priyanshu A. Shah is interested in resolution no. 15.

ITEM NO. 16:

One of the strongest pillars of the Company - Chairman Mr. Dinesh T. Shah started his career as diamond manufacturer and then entered in the trade in the year 1971. The earlier partner became the Chairman of the Company because of his strategic vision, professionalism and 40 years experience. With this great contribution the Remuneration Committee approved appointment of Mr. Dinesh T Shah as Chief Financial Officer in terms of Section 203 of Companies Act, 2013 subsequently the Board of Directors of the Company on March 31, 2014 redesignated Mr. Dinesh T. Shah as Executive Chairman and approved his appointment as Chief Financial Officer in terms of Section 203 of Companies Act, 2013.

He is one of the senior Directors and his guidance contributed Asian Star Company Limited in attaining status of one of the leading company as a diamond exporter.

His appointment was proposed and approved by the Remuneration Committee at a remuneration of Rs. 1,25,00,000 (Rs. One Crore Twenty Five Lacs only) which is subject to the approval of the members of the Company in the ensuing Annual General Meeting.

ITEM NO. 17:

As per Article 128 of the Articles of Association of the Company, the number of Directors of the Company shall not be less than three and more than twelve.

Currently, the Company has twelve Directors. In anticipation of the requirement of section 149 under Companies Act 2013, it is proposed to increase the upper limit to fifteen directors, on an enabling basis. Section 149(1) of the Companies Act, 2013 allows maximum strength of fifteen directors.

Therefore, the Board of Directors recommends amendment to the Articles of Association of the Company by deleting the existing Article 128 and substituting with new Article 128, to increase the maximum number of directors of the Company from twelve (12) to fifteen (15), subject to the requirements of the Companies Act, 2013.

The Resolution at Item No. 17 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during business normal hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 17.

ITEM NO. 18 & 19:

The shareholders of the Company had passed ordinary resolution in terms of Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956, authorising the Board of Directors of the Company to borrow funds up to Rs. 2,000 Crores and to create security on the assets of the Company for securing the borrowings that would be made by the Company from time to time respectively, through Postal Ballot proceedings held on August 18, 2007. Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013, which have become effective from September 12, 2013, provide that the Board of Directors of a Company shall not, without the consent of members in general meeting by way of special resolution, borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business; and/ or sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, respectively.

Ministry of Corporate Affairs (MCA) vide General Circular No.04/2014 dated March 25, 2014 had clarified that the resolutions passed under Section 293 of the Companies Act, 1956, prior to September 12, 2013 with reference to borrowings and/ or creation of security on the assets of the Company will be regarded as sufficient compliance of the requirement of Section 180 of the Companies Act, 2013, for a period of one year from the date of notification of Section 180 of the Companies Act, 2013. It is, therefore, necessary for the members to pass special resolutions under Section 180(1)(c) and Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item Nos. 18 and 19 of the Notice, to enable the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company.

Considering the Company's future growth plans, it is proposed to increase the above borrowing limits from the existing 2,000 crores to an amount not exceeding at any time a limit of Rs. 2,500 crores (Rupees Two Thousand Five Hundred Crores only). To create security on the assets of the Company through mortgage or pledge or hypothecation or otherwise or through combination of them for securing the borrowings as the creation of security/ mortgage/ pledge/ hypothecation/ charge or encumbrance may be covered by the term "otherwise disposed of" used in Section 180(1)(a) of the Companies Act, 2013. Accordingly, approval of the shareholders is sought by way of special resolutions set out at Item Nos. 18 & 19 of the Notice.

Your Directors recommend these special resolutions for your approval.

Place: Mumbai
Dated: May 22, 2014

By Order of the Board

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

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

Name of Director	Priyanshu A. Shah	Dharmesh D. Shah	Mr. Bhupendra K. Shroff	Hasmukh B Gandhi
Date of Birth	14.05.1981	02.10.1965	11.10.1937	07.01.1931
Expertise in Specific Functional Areas	Jewellery Operations	Overseas Business and Financial activities	Company Secretary in Practice for more than 35 years, have wild experience in Corporate Laws, Legal & MCA related matters.	He is advocate in Mumbai High Court since 1955. He has expert knowledge of drafting and vetting of agreements.
Qualifications	B.Com, A Certified Gemologist from G.I.A., New York.	B.Com	M. Com, L.L.B., F.C.S., C.I.A. from USA	B.A.(HONS), L.L.B.
Other Indian Companies in which Directorship held as on March 31, 2014	- Asian Star Jewels Private Limited - Samruddha Gram Vikas Foundation - Asian Star Infotech Private Limited	- Samruddha Gram Vikas Foundation - Asian Star Infotech Private Limited	- Shardul Securities Limited - Asian Star Diamonds International Private Limited - Khira Steel Works Private Limited - Shriyam Broking Intermediary Limited - Intuitive Endeavours Private Limited	- Glance Finance Limited - Hardcastle & Waud Mfg. Co. Ltd - ASE Western Traders Pvt. Ltd. - Detriv Instrumentation And Electronics Private Limited
Memberships of committees in Public Companies as on March 31, 2014 (includes only Audit Committee, Remuneration Committee, Shareholder's/Investor's Grievance Committee)	NIL	NIL	Shardul Securities Limited	NIL
Chairmanships of committees in Public Companies as on March 31, 2014 (includes only Audit Committee, Remuneration Committee, Shareholder's/Investor's Grievance Committee)	NIL	NIL	NIL	NIL
Shareholding in the Company	12,15,450	11,50,000	NIL	NIL

Name of Director	K Mohanram Pai	Mr. Apurva R Shah	Mr. Milind H Gandhi	Mr. Miyar Nayak
Date of Birth	14.02.1937	05.01.1970	08.08.1965	13.05.1952
Expertise in Specific Functional Areas	He possesses rich experience in the area of Finance and Banking.	He has expert knowledge in areas such as Taxation, Foreign Exchange Management Laws, Financial Management and Business Restructuring.	He has extensive knowledge of Taxation and he has specialised in advising and structuring of Joint Ventures.	Sound knowledge in retail & international banking and treasury operations.
Qualifications	B.A., C.A.I.I.B.	F.C.A., C.W.A., Graduated from London School of Economics & Political Sciences	B. Com., F.C.A.	B. Com., C.A.I.I.B.
Other Indian Companies in which Directorship held as on March 31, 2014	- Sovereign Diamonds Limited	- Shantivijay Jewels Limited - Fine-Line Circuits Limited - G. Jewel Craft Limited - Steel Cast Limited	- Glance Finance Limited	- PC Jeweller Limited
Memberships of committees in Public Companies as on March 31, 2014 (includes only Audit Committee, Remuneration Committee, Shareholder's/Investor's Grievance Committee)	NIL	- Shantivijay Jewels Limited - Steel Cast Limited - Fine-Line Circuits Limited	NIL	NIL
Chairmanships of committees in Public Companies as on March 31, 2014 (includes only Audit Committee, Remuneration Committee, Shareholder's/Investor's Grievance Committee)	NIL	Alternative Chairman of Audit Committee of "Steel Cast Limited"	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL	NIL



Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

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

Email - info@asianstargroup.com, **Website** - www.asianstargroup.com, **Tel No:** +91 22 22821886, **Fax:** +91 22 22043747

ATTENDANCE SLIP

(To be presented at the entrance)

Registered Folio / DP ID & Client ID	
Name	
Address of Shareholder / Proxy Holder	

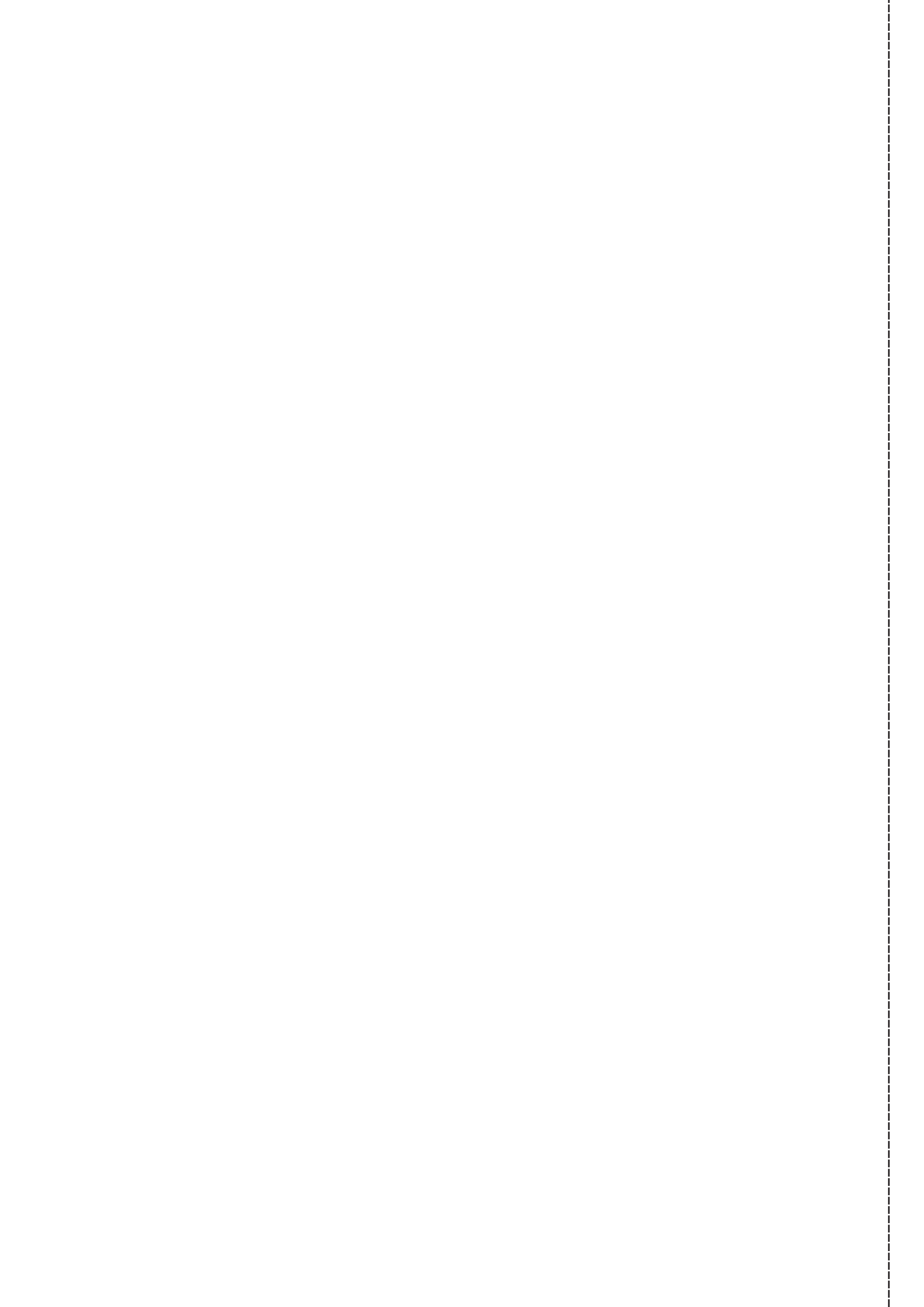
I/We hereby record my/our presence at the 20th Annual General Meeting of the Company on Friday the 12th day of September, 2014 at 4.00 Noon at Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next to Indian Oil Petrol Pump, Mumbai - 400 002.

Signature of Shareholder / Proxy

Present _____

Note:

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



Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

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

Email - info@asianstargroup.com, **Website -** www.asianstargroup.com, **Tel No:** +91 22 22821886, **Fax:** +91 22 22043747

PROXY FORM
(Pursuant to Section 105 (6) of the Companies Act 2013 and rule 19 (3) of the Companies (Management and Administration Rules 2014)
Name of the Member(s) : _____

Registered Address : _____

Email ID : _____

Folio No./ Client ID : _____

DP ID : _____

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

1.) Name _____ Email ID : _____

Address _____ Signature : _____

or Failing him

2.) Name _____ Email ID : _____

Address _____ Signature : _____

or Failing him

3.) Name _____ Email ID : _____

Address _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the company, to be held on the Friday, September 12, 2014 at 4.00 p.m. at Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next to Indian Oil Petrol Pump, Mumbai - 400002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description
1.	Adoption of Financial Statements for the year ended March 31, 2014
2.	Approval of Dividend for the year 2014
3.	Re-election of Mr. Priyanshu A. Shah
4.	Re-election of Mr. Dharmesh D. Shah
5.	Appointment of M/s. V. A. Parikh & Associates, as Statutory Auditors of the Company for the financial year ending 31st March, 2015
6.	Appointment of Mr. Rahil V. Shah as Director of the Company
7.	Appointment of Mr. Bhupendra K. Shroff as an Independent Director of the Company for a term of upto five years
8.	Appointment of Mr. Hasmukh B. Gandhi as an Independent Director of the Company for a term of upto five years
9.	Appointment of Mr. K. Mohanram Pai as an Independent Director of the Company for a term of upto five years
10.	Appointment of Mr. Apurva R. Shah as an Independent Director of the Company for a term of upto five years
11.	Appointment of Mr. Milind H. Gandhi as an Independent Director of the Company for a term of upto five years
12.	Appointment of Mr. Miyar R. Nayak as an Independent Director of the Company for a term of upto five years
13.	Revision of remuneration of Mr. Vipul P. Shah (CEO & MD)
14.	Revision of remuneration of Mr. Arvind T. Shah (Executive Director)
15.	Revision of remuneration of Mr. Priyanshu A. Shah (Executive Director)
16.	Ratification of remuneration of Mr. Dinesh T. Shah (Executive Chairman & CFO)

17.	Alteration in article no. 128 of Articles of Association of the Company
18.	Special resolution under Section 180 (1) (c) of the Companies Act, 2013 for borrowing limits
19.	Special resolution under Section 180 (1) (a) of the Companies Act, 2013 for creation of charges / mortgage / hypothecation

Signed this _____ day of _____ 2014

Affix 1 Rupee Revenue Stamp

Signature of the Shareholder

Signature of Proxy Holder(s)

Note:

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



www.asianstargroup.com

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

ENDURING EXCELLENCE



ASIAN STAR COMPANY LIMITED | 20TH ANNUAL REPORT 2013-2014



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Children and rough diamonds, both, require moulding and polishing to reach their true potential and acquire a shine and brilliance that is ENDURING.

Lasting and long-term success is a complicated and composite construct, easy to identify but difficult to define.

The visible and tangible hard outer edges of success are simple to quantify, measure and manage. They comprise metrics like pricing, supply-chain and capital efficiency that are easy to understand and analyse. While these hard edges are necessary and provide a definite advantage, this advantage is fleeting and transitory. These hard edges are easy to clone and copy.

The kernel of lasting success is ensconced deep inside these outer hard-edges. Akin to DNA in organisms, this kernel contains the unique soft code that forms, shapes and defines the character and longevity of businesses. It gives businesses the soft edge and the intrinsic strength to outlast disruptions and overcome difficulties. Unlike tangible hard edges, these soft edges are both ethereal and elusive. They cannot be cloned or copied.

At Asian Star, ENDURING EXCELLENCE forms our unique soft edge and advantage which has ensured our success for the last 43 years.

From manufacturing to marketing, from design to distribution and from expansion to execution, every step we take and every decision we make emanates and ends with our unwavering and uncompromising focus on...

...ENDURING
EXCELLENCE

Curious about learning,
experimenting and discovering...

ENDURING EXCELLENCE IN MANUFACTURING

Manufacturing is the core of our business and at the heart of our success. In both of our businesses, diamond processing and jewellery manufacturing, enduring excellence in manufacturing has given us a distinct edge through our products that have always stood apart and above for their superior quality and value.

Cutting and polishing diamonds is a highly-skilled process. It takes perseverance and patience, fortitude and focus, experience and expertise to create the best cuts. The 'Asian Star Make' has set a benchmark in the industry with its renowned consistency of cut and quality. Another example of our mastery in cutting is our special cuts. We have persevered with excellence to develop special cuts and deliver EX-EX-EX cuts in the smallest pointers. Whilst delivering best-in-class cuts, we also ensure higher yields and shorter production cycles.

In jewellery manufacturing, we have been enduring excellence through our persistent innovations in process and design. Design is a key differentiator in jewellery, and our highly-creative design team ensures we offer trendy and original designs in our collections. Through rigorous R&D, we create innovative diamond settings that make it possible to visually enhance even the smallest diamond and deliver maximum sparkle.

At Asian Star, ENDURING EXCELLENCE in manufacturing has always been our priority.

Today, we have four manufacturing locations based at Surat, Mumbai and Hosur, India. These have state-of-the art facilities with over 2000 highly-skilled workers, assiduously focussed on excellence through best-in-class operations management, quality control and timely execution.

Such has been our focus on ENDURING EXCELLENCE in manufacturing that we are among the select players in our business to leverage economies of not only size, but also of scale and scope. Our manufacturing capabilities give us the edge to offer the best cuts in diamonds and latest designs in jewellery, with assured quality and timely deliveries to our customers.



ENDURING EXCELLENCE IN FINANCE

Passionate about caring and protecting...

Finance and financial management have always played a vital role in our business due to stretched working capital cycles. The working capital cycle begins with purchase of rough diamonds, cutting and polishing, marketing and delivery, and ends with realisation of sales. In the jewellery business too, working capital is required to sustain wide range of designs, prototyping & sampling and eventual sales. Long working capital cycles necessitate financial support from banks.

In the last few years, a large number of banks have burnt their fingers with increasing cases of defaults in the industry. Many well-known players struggled to manage their finances, over-stretching themselves, and faced liquidity crisis. Banks were forced to squeeze credit to the sector, unsettling established names and sending shock-waves throughout the industry.

At Asian Star, ENDURING EXCELLENCE in finance has always been our precedence.

We have never been under any such liquidity or credit pressure. Finance is a key function at Asian Star. All aspects of finance like budgeting, planning, working capital management, treasury operations and resource are handled by a strong team of experienced professionals. The finance department aligns resources, technology and people to ensure steady cash flows, mitigation of risks, cost efficiency and an overall excellent performance.

Our ENDURING EXCELLENCE in finance is further demonstrated by our credit ratings that are amongst the best in the industry. We have been given A2+ rating by CARE (Credit Analysis and Research Ltd.) and enjoy a sustained confidence of the bankers as one of the preferred clients in the industry. We have consistently featured amongst pre-eminent companies in India. We have been ranked 299 among the top Indian companies by Dun & Bradstreet's 'India's Top 500 Companies' in 2013.

Today, at Asian Star, such has been our ENDURING EXCELLENCE in finance that all our infrastructure expansion and market development plans have been funded with internal accruals and continues to power our success and growth.



Confident about connecting and growing...

ENDURING EXCELLENCE IN MARKETS AND DISTRIBUTION



Marketing and distribution are the lifeline of our business. ENDURING EXCELLENCE in markets and distribution both complements and completes the entire business process.

Diamonds and jewellery have always been a global business, with customers spread far and wide, across all corners of the world. At the centre of this global mesh is India, with its traditional strength and advantage of being the cutting and polishing capital of the world, and home to the best designs in jewellery.

The global market-place for diamonds and jewellery is in a state of constant flux. Economic shifts are causing new consumption hot-spots to emerge in new geographies. Innovative marketing platforms like online retailing are creating new categories of customers.

At Asian Star, ENDURING EXCELLENCE in markets and distribution has always been a penchant.

The final leg of the journey is always the most crucial, and to that end, we have always been close to our customers and clients. Being keyed on to market dynamics, we are able to take strategic decisions that guide us to enter the right market at the right time, and equally, pre-empt us to exit falling markets. Our decision to re-align focus of business from Western markets to Asian markets in the last few years as well as concentrate on the next generation retail platforms like TV channels and online sellers exemplify our market alignment.

Today, we are present in all the key markets of the world from USA - the largest market, to Russia, South Africa, Indonesia and Turkey - the newest markets. Being close to our customers creates superior client engagement and bespoke servicing. This translates into customised product development and merchandising, and relevant promotional support.

At Asian Star, we are ENDURING EXCELLENCE in our markets and distribution by regularly re-arranging our geographic markets. We are constantly de-risking our business by adjusting to market dynamics, becoming more relevant and significant to our customers, resulting in strong growth and expansion.

ABOUT US

A vertically integrated diamond conglomerate, Asian Star has a rich heritage of values, ethics, intrinsic strength and industry experience that stretches back to 1971. The forward-looking professional company was listed on the Bombay Stock Exchange in 1996, and today has established its presence in all the major diamond centres of the world.

The Company is the preferred supply partner for loose polished and diamond jewellery to some of the leading brands and retail chains across the globe.



SURAT (Diamond Cutting & Polishing)



PEOPLE

Total Count: 2440 Employees

CORPORATE OBJECTIVE

VISION

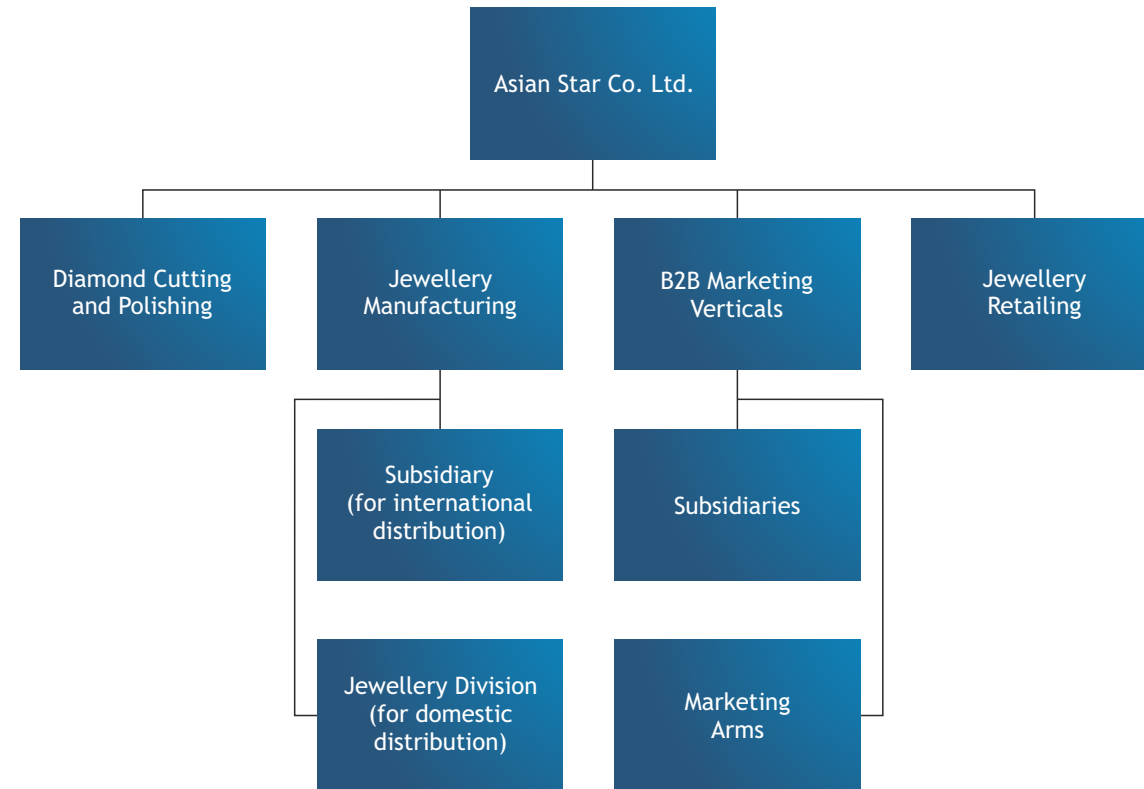
To be a world-class diamantaire enjoying sustainable growth; to maximize the potential of our core competencies and add long-term value to the diamond pipeline.

MISSION

We will live each day our passion for innovation and excellence, to create highly desirable diamonds and experiences that surpass our customers' expectations.

VALUES

Integrity, Partnership, Excellence, Responsibility, Unity.



BUSINESS PRESENCE

The Company's operations extend across the entire value chain, from rough sourcing to diamond cutting and polishing to jewellery manufacturing to marketing.

Our business portfolio encompasses:

Loose Polished

All polished 3 carats and smaller in fine makes and proprietary diamond cuts.

Diamond Jewellery

Gold and platinum, diamond studded jewellery in fashion and bridal styling, spanning all categories like Rings, Earrings, Pendants, Bracelets, Bangles, Necklaces, etc. for the domestic and international market.

Diamond Jewellery Retailing

Couture diamond boutique, ex-factory Mumbai, to cater exclusively to HNI customers.

Power

Windmills in Maharashtra, Kerala and Tamil Nadu.

GEOGRAPHIC PRESENCE

Manufacturing Centres

World-class infrastructure at Surat, Mumbai and Hosur, in India for Diamond Processing and Jewellery Manufacturing. These technologically advanced manufacturing facilities are in conformance with ISO 9001:2008, certified by TUV NORD. They offer the best-in-class infrastructure including Wide Area Network Computerisation, 'Lean Manufacturing' processes and eco-friendly environment.

Marketing Presence

Subsidiaries - Four wholly owned subsidiaries in New York (USA), Dubai (UAE), Hong Kong and Mumbai (India).

Marketing Arms - A strong global presence with an extensive network of marketing arms spread across the continents of Asia, Europe and America.



A vertically integrated business model that makes commercial proposition sound and synergistic.

We are now present across the entire value chain; sourcing rough, cutting and polishing diamonds, setting them in jewellery and selling them to retailers and retail brands all over the world, and also through our own retail outlet at Mumbai, India.

Strong marketing capabilities and well penetrated distribution network.

A strong global presence with an extensive network of marketing arms, including four subsidiaries, spread across the continents of Asia, Europe and America.

Direct access to primary sources of rough.

Besides having secured our place on the DTC Sightholder list for the current contract period, we also procure directly from other major sources such as Dominion, Alrosa and Rio Tinto.

Strong equity for the 'Asian Star Make' and reputation as a one-stop shop in the trading circles.

The 'Asian Star Make' is renowned within the trade community for its superior quality and consistency of cut. Besides, our manufacturing focus on our core goods makes us a reliable supply partner.

A design team proficient in delivering innovations and country-specific jewellery designs.

We have 40 members in our design and product development team based in India, USA and Hong Kong whose exposure to global jewellery trends backed with the experience of working in cross-cultural markets always keeps us ahead of the game.

Well-established manufacturing capabilities coupled with cutting edge technology.

We have world-class infrastructure at Surat, Mumbai and Hosur, in India for diamond processing and jewellery manufacturing.

Proven management expertise and a large pool of experienced and talented human resource.

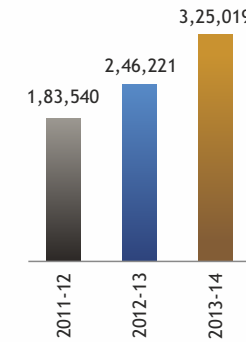
The experience of three generations at the top-management level, leading a young professional team, ensures the right blend of expertise and enthusiasm.

KEY STRENGTHS

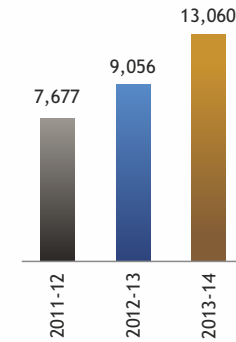


CONSOLIDATED FINANCIAL PERFORMANCE

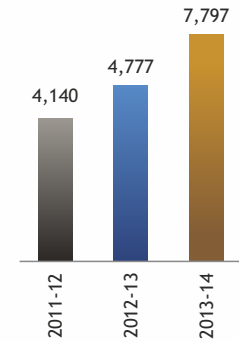
TURNOVER
(Rs. in lacs)



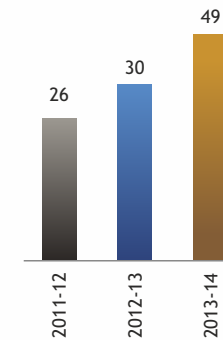
EBIDTA
(Rs. in lacs)



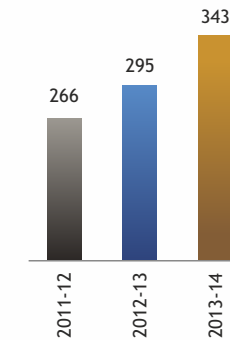
PAT
(Rs. in lacs)



EPS
(in Rs.)



BOOK VALUE
(in Rs. per share)



LISTING

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

As on 31st March 2014, Asian Star Co. Ltd. had a market capitalisation of Rs.983 crore.

ACHIEVEMENTS

Ranked 299 in Dun & Bradstreet's 'India's Top 500 Companies' in 2013.

Has the prestigious status of being a DTC Sightholder for the current contract term.

Certified member of the Responsible Jewellery Council (RJC).

CEO AND MD'S MESSAGE



“Enduring excellence is ingrained and embedded into the very DNA of our company, and it is this soft edge of excellence that is providing us with the thrust to progress ahead, powering our success and growth.”

Vipul P. Shah

Dear Shareholders,

It is always a pleasure to review performance for the year and share with you plans for the forthcoming year. The year 2013-14 was indeed an eventful and interesting one, due to external challenges in the economy as well as developments in the industry.

The global economy continued to face stiff headwinds with key developing economies all struggling to grow at desired levels. In the USA, growth stalled in 2013 to 1.9 per cent after an encouraging 2012 when the economy grew by 2.8 per cent. Retail sales continued to remain disappointing with the key bridal and engagement ring segment remaining flat. The EU continued to de-grow in 2013, albeit at a lower rate of 0.2 per cent compared to 0.4 per cent in 2012. The emerging economies, particularly of China and India faced challenges on both domestic and international front with further slowdown in growth compared to the previous year.

In the Indian Gems and Jewellery industry, restrictions on gold imports to reign in current account deficits caused a near panic in the industry. The prices of rough diamonds remained high throughout the year, squeezing margins. The declining currency further aggravated the situation.

In spite of a difficult operating environment, there was a marked increase of 12.65 per cent in the export of cut and polished diamonds in value terms to US\$ 19.6 billion for the year 2013-14. The import of rough diamonds also increased by 11.98 per cent to US\$ 16.7 billion during the year signifying an increase in cutting, polishing and other manufacturing activities in the diamonds processing space. However, there was a discernible decrease of 39.5 per cent in the export of Gold jewellery & Gold medallions which stood at US\$ 11 billion for the year 2013-14. This was largely due to limited supply of gold throughout the year, imposing restrictions on the extent of trade for many of the Indian jewellery manufacturers.

Against this backdrop of challenges on both the economic and industry fronts, Asian Star delivered yet another excellent performance. Our consolidated turnover for the year was Rs. 3,250 crore against Rs. 2,462 crore in the previous year, an increase of 32.01 per cent. Our diamond business increased from Rs. 2,022 crore in 2012-13 to Rs. 2,768 crore in the current year, rising by 36.89 per cent, while our jewellery business increased from Rs. 431 crore in 2012-13 to Rs. 476 crore in the current year, registering an increase of 10.44 per cent. Our margins improved significantly too, with our PBT increasing to Rs. 97 crore

compared to Rs. 62 crore in the previous year, while our PAT increased to Rs. 78 crore from Rs. 48 crore in 2012-13.

This outstanding performance has been a result of our ENDURING EXCELLENCE. From our manufacturing to financial management to marketing and distribution, we have been enduring excellence with our capacities and capabilities. Excellence, we have always believed, is more of an attitude and approach than an outcome. Enduring excellence is ingrained and embedded into the very DNA of our company, and it is this soft edge of excellence that is providing us with the thrust to progress ahead, powering our success and growth.

We have ambitious plans to maintain our momentum of growth by further expanding our capacity and improving upon our capabilities. We are constantly upgrading our manufacturing facilities for diamond processing as well as jewellery manufacturing with a clear focus on not only increasing output, but also reorienting our manufacturing efficiencies for a stronger focus on special cuts, especially in smaller sizes, to garner a bigger share of this growing premium segment. In the jewellery business, we continue to invest in our design capabilities and R&D processes to deliver innovations.

As I look ahead, I am filled with a sense of optimism and positivity. India has always possessed unbeatable edge in gems and jewellery since ancient times. As a country, we have been renowned for the best skills and quality in the world. With the right support and policies, the sector indeed has an immense potential. With economies in key diamond and jewellery markets like the USA and Japan improving, and with the Indian economy forecast to pick-up, the future looks assured and affirmative.

At Asian Star, we are committed to continue with our expansion, be it in manufacturing or distribution, with a growth-oriented focus to improve efficiencies and deliver superior products and services. We are poised to progress further on the strong trajectory of growth and sustain ENDURING EXCELLENCE, not only for our customers, but also for all our stakeholders.

With best wishes,

Vipul P. Shah
CEO & Managing Director

BOARD OF DIRECTORS



DINESH T. SHAH
CHAIRMAN & CFO

The Chairman & CFO of Asian Star Co. Ltd. started his career as a diamond manufacturer 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.



BHUPENDRA K. SHROFF
DIRECTOR

Mr. Bhupendra K. Shroff is M.Com, LL.B, F.C.S and C.I.A from USA. He is also a practicing Company Secretary for more than 35 years. He has wide experience on matters relating to Company Affairs and has been associated with many top companies like Reliance Industries Ltd. etc. He is considered to be a highly respected professional in the field of Corporate Laws and other legal matters.



K. MOHANRAM PAI
DIRECTOR

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



ARVIND T. SHAH
EXECUTIVE DIRECTOR

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



PRIYANSHU A. SHAH
EXECUTIVE DIRECTOR

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



APURVA R. SHAH
DIRECTOR

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



HASMUKH B. GANDHI
DIRECTOR

Mr. Hasmukh B. Gandhi is B.A. (Hons) & L.L.B. He is an advocate in Mumbai High Court since 1955. He has expertise in drafting and vetting of agreements like Collaboration Agreements, Commercial Agreements, Shareholders Agreements, Joint Venture Agreements, Deed of Assignments etc.



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 two 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-traveled and has thorough knowledge of current trends prevailing worldwide as well as deep insight of future needs of the diamond market. Presently, he oversees sales and marketing functions of the Company, and has been instrumental in building and nurturing strategic alliances with business partners.



MILIND H. GANDHI
DIRECTOR

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



MIYAR R. NAYAK
DIRECTOR

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

MANAGEMENT DISCUSSION AND ANALYSIS



ECONOMIC OVERVIEW

The year 2013-14 was a year of uncertainty when the expectations weathered a setback. Amidst challenges, growth was elusive with under performance being the norm in almost all regions and major economies. Growth in the world GDP dipped from 3.2 per cent in 2012 to 3.0 percent in 2013. (Source IMF).

The second half of the year marked a significant turnaround in the fortunes of global economy which saw a clear pickup in momentum with rise in output, investments and confidence, both on consumer as well as on the investor fronts. Europe witnessed greater financial stability and there were signs of revival in a number of its constituent nations. The US too registered improvement in employment levels and overall growth prospects prompting Federal Reserve to initiate withdrawal of stimulus measures. The slowdown in the Chinese economy seems to have bottomed out with its growth steadying at 7.7 per cent for two consecutive years. Though this is much lower as compared to the double digit growth which it used to have, it is still formidable as compared to growth in other major economies.

In India, growth continued to be muted with the second successive year of sub 5% GDP growth. Volatile rupee with free fall in the first half, stubborn inflation, high cost of borrowing and delays in project approvals adversely impacted the consumer as well as business and investor confidence. Confronted with a difficult macroeconomic situation, the government and RBI took various corrective measures to support the economic growth. These had a positive impact in the latter half of the fiscal year with GDP growth recovered at 4.9%. Formation of a strong and stable government at the Centre is expected to augur well for India's economy with improved sentiment fuelled by expectation of speedier reforms and implementation of progressive policies.

INDUSTRY OVERVIEW

Global Gems and Jewellery Industry

The year 2013-14 was yet another challenging year for the Gems and Jewellery Industry. Growth was subdued as retail sales in all the major markets continued to be slow during major part of the year owing to uncertain economic conditions. Rough prices continued to rise throughout the year without corresponding rise in the prices of cut & polished diamonds and jewellery due to low consumer confidence. This further squeezed the already shrinking margins. There were signs of improvement and optimism towards the latter part of the year with economies of major diamond markets stabilising and starting to grow.

Despite slowdown, the US currently accounts for the largest share of jewellery market in the world with more than half of its market being dominated by the diamond jewellery segment. Euro zone is showing signs of revival and demand in this region is expected to improve in the coming year. Regionally, Asia Pacific holds the world's largest jewellery market and is being driven largely by China and India, the two

largest consumers of gold in the world and also hold majority of the processing and manufacturing industry for jewellery. Though the demand in both these countries had slowed down in past couple of years, they are poised for growth as their economies seem to have bottomed out. India, alongside China, has been identified as the fastest growing market in the world for luxury jewellery over the next five years. In fact, Indian consumers' aspirations for diamonds may eventually outpace their demand for gold. Analyst expect China to double its share of global jewellery market in couple of years and become the second largest diamond consuming market after the US.

Indian Gems and Jewellery Industry

The Gems and Jewellery industry has been playing a very important role in the Indian economy and contributes about 6-7 per cent to the country's gross domestic product (GDP), besides large scale employment generation and contribution to the country's foreign exchange earnings. In FY 2013-14, the Indian gems and jewellery sector contributed US\$ 34.75 billion to India's foreign exchange earnings. Sensing its immense potential, the Government of India has declared the sector as a thrust area for export promotion.

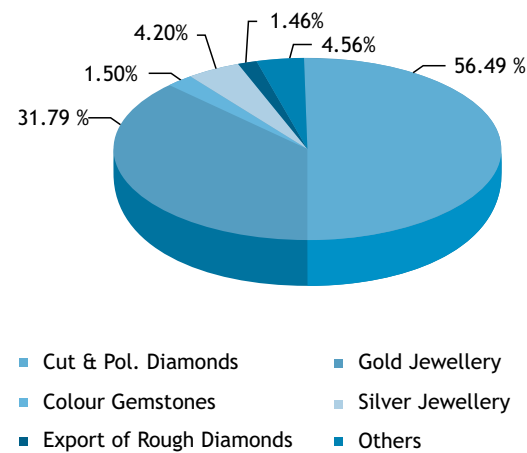
The overall export of Gems and Jewellery fell by 11 per cent to US\$ 34.75 billion in 2013-14 as compared to US\$ 39.04 billion in previous year. This was mainly due to subdued demand in the global markets and gold supply constraints in the domestic market throughout the year. The UAE was a key export destination with 35 per cent export followed by Hong Kong at 28 per cent and the US at 14 per cent.

Cut and Polished Diamonds

India is the world's largest centre for cutting and polishing of rough diamonds. Historically developed as a cutting centre for smaller sized and lower valued diamonds, India is now seen as a centre that can provide diamonds of virtually all sizes, shapes and colour with many of the larger companies having moved into cutting diamonds of larger sizes and fancy shapes and cuts. India provides the best solution in diamond processing in terms of cost, quality and timeline. Its favourable geographic location has made India a one-stop sourcing centre for overseas buyers.

During the year 2013-14, exports of cut and polished diamonds increased by over 12 per cent to US\$ 19.63 billion as compared to 17.43 billion in the previous year.

% Share In Export Basket



Jewellery

Jewellery witnessed one of the most challenging year. Export of jewellery and gold medallion fell by 39.5 per cent during the year mainly due to prolonged global economic crisis and various regulatory curbs imposed by government to rein the current account deficit. However, improvement in the global economies, relaxation of various restrictions by the government and reduction in import duty of gold is expected to put this segment back on the growth trajectory.

India is witnessing a shift in consumer preference towards platinum jewellery and diamond studded jewellery. The increase in sales of platinum and diamond jewellery alone accounted for a third of the jewellery sales in 2013. Furthermore, the aggregate demand for diamond jewellery has increased by over 25 per cent in the domestic market, with the high-end diamond jewellery exhibiting strong sales.

The Indian branded jewellery market is growing far more rapidly than the overall jewellery market. Changing demographic profile, increasing disposable incomes, changing consumer tastes and preferences is driving and will continue to drive the demand for branded jewellery. Branded jewellery has an aspirational value catering to the rising desires and wants of the upwardly mobile segments. Retail brands are expanding their reach in tier II and tier III cities to penetrate and explore the untapped market. Many global majors are looking at India strategically, both in terms of a lucrative market as well as a destination for cost competitive solutions.

COMPANY OVERVIEW

Asian Star Company Ltd. is a one of the largest integrated diamantaires in the world and Diamond Trading Company Sightholder. The Company has a presence across the entire value chain: from

diamond cutting and polishing, jewellery manufacturing and distribution to jewellery retailing. The Company has been Enduring Excellence to create a distinct and differentiated edge over its competitors, which has enabled the Company to emerge as a preferred supplier for diamonds and diamond jewellery to some of the leading retail brands and retail chains across the globe.

Manufacturing Facility for Polished Diamonds

The Company has been a pioneer in cutting and polishing of diamonds. It has a world-class manufacturing set up in Surat with state-of-the art machinery and equipment. The Company completed expansion at this facility during the last fiscal year. This facility, spread across 1,00,000 sq.ft., employs more than 1300 skilled workforce. This technically advanced facility with production team having an experience of more than four decade is fully competent to deal with the complexities with regard to size, colour and cuts. The Company has been known for the consistency in its quality and cut which is known as ‘Asian Star Make’ in the industry.

Manufacturing Facility for Jewellery

The Company has three units for jewellery manufacturing, two dedicated for domestic market and one serving to the international clients. These units located at Mumbai and Hosur are spread over 50,000sq.ft and employ more than 500 skilled employees. These units are equipped with advanced machinery and technology, encompassing rapid prototyping technology, the CAD/CAM software and ‘Lean Manufacturing’ processes. Production processes are synchronised to deliver maximum flexibility and minimum production cycle times, thus maximising client value. Mass produced or customised, hand-made or machine-made, the highly skilled artisans deliver a trademark precision to detail in every jewellery piece.

Distribution

The Company has aligned its global presence over the years through focussed marketing and expansion into newer geographies and emerging hot-spots of consumption. It has positioned itself strategically in the major diamond consuming centres with an extensive network of subsidiaries and marketing arms enabling it to create bespoke products. Currently, the Company is looking towards strengthening its presence in other key emerging markets, namely Russia, South Africa and Turkey.

Retail

The Company has a couture boutique, ex-factory Mumbai, to cater to HNI customers. From simply elegant to stunning signature pieces, the collections portray an exquisite blend of the modern and classic. Besides offering a wide range of prêt diamond jewellery, the Company also undertakes customised orders with jewellery design consultation.

FINANCIAL OVERVIEW

During the year 2013-14, the Company delivered outstanding results with marked improvement in both diamonds as well as diamond jewellery businesses. The Company has always focussed on improving its operational efficiency by Enduring Excellence in manufacturing to create compelling value for its customers. It has always taken a pragmatic view of markets, and ensured its presence in the key diamond markets of the world to engage closely with its customers. Based on these strengths, the Company has consistently performed well, even during difficult times when both the industry and the economy were under pressure.

For the year 2013-14, some key financial highlights of the consolidated performance were:

- Crossed a milestone of Rs. 3,000 crore in turnover during the year.
- Turnover increased by 32% to Rs. 3,250 crores against that of Rs. 2,462 crores in the previous year.
- PBT for the year increased by 62% to Rs. 97 crores compared to Rs. 62 crores in the previous year.
- PAT for the year increased by 56% to Rs. 78 crores compared to Rs. 48 crores in the previous year.

FUTURE OUTLOOK

The world economic outlook appears more upbeat for 2014 and is expected to rebound for the first time since the global financial crisis of 2008. The World Bank report projects the global economy to strengthen this year, with growth picking up in developing countries. The growth rate for the US economy is predicted to rise to 3.0 per cent in 2015 from 2.8 per cent in 2014. The Japanese economy has also shown signs of improvement under the leadership of its new government. In China, there are positive signs of a better 2014. Euro zone too is showing signs of stability. Despite many challenges it is facing at present, the World Bank is projecting India’s economy to grow by over 6 per cent in 2014-15 and 7.1 per cent by 2016-17. The global diamond consumption is expected to increase by about 5 per cent as compared to 3 percent in the previous year. USA, the largest jewellery market is set to grow by more than 5 to 7 per cent for the coming few years. The overall jewellery market in China is likely to remain stable with a 10 per cent growth rate. Given the positive fundamentals for the economic climate, CARE Research expects the growth rate of the diamond industry to break through historical levels in the next two years.

In India, sentiments have improved substantially post the strong verdict in the 2014 elections. The new government has expressed its commitment to bring about sustainable and inclusive growth. It aims to usher the economy to a higher pedestal, rein in inflation, reduce current account deficit, reignite the investment cycle and restore the confidence of domestic and international communities in the national economy. In India, CARE Research anticipates expansion of the market

to fast-track with improved consumer confidence, rising income, urbanization and increasing population of working women and upper middle class.

OPPORTUNITIES

Demand Forecasts in Key Markets

USA

USA is the largest and most developed diamond markets in the world. With indications of improvement in the economy, demand for diamonds is expected to rise at 2.4 per cent on a CAGR to approximately US\$ 8 billion by 2023. One of the key drivers of this growth is expected to come from the engagement jewellery business, by far the most important segment of the US jewellery business accounting for almost half of total jewellery sold in the USA.

China

China is now the second-largest diamond market, after the US. Over the course of five years, diamond jewellery has grown from about one-quarter of China’s total retail jewellery market to approximately one-third. Though the economic growth has slowed down in past couple of years, the demand for diamond jewellery will continue to grow driven by the huge surge in middle class consisting of young population. This middle class has more disposable income to spend on aspirational consumption, of which diamond jewellery is set to emerge as a priority spend.

The diamond market in China is evolving from a wedding-oriented market to a more broad-based diverse market, with consumers buying diamonds to celebrate an anniversary or for general gifting or to be in tune with the latest fashion. Popularity and demand for diamond jewellery is spreading from the big cities to the medium and small cities. These trends, along with rapid urbanization, a burgeoning middle class, and a younger generation of sophisticated shoppers signal exciting opportunities for the Global Gem and Jewellery Industry.

India

The Indian middle class is expected to rise from 16 per cent of population to 46 per cent of population by 2023. As in the case of China, this emerging and burgeoning middle class in India will be dominated by the young and upwardly mobile population, with a substantial amount of disposable income to spend. Ensured of financial security, a major portion of their disposable income is likely to be spent on purchase of conspicuous products, including jewellery.

Luxury retailing including diamond jewellery is gaining importance in India. Indian consumer is ready to splurge on luxury items and is increasingly doing so. A globally connected youth market in metropolitan cities is revolutionizing jewellery consumption in India with demand for fashion

jewellery on the rise. Indian diamond industry players are taking diamonds to the mainstream, allowing people of most economic levels to purchase diamond jewellery. Furthermore, the introduction of certified diamonds has increased trust and made diamond valuations more transparent. Jewellery manufacturers are innovating and producing fashionable and still affordable diamond jewellery targeted at the middle class where demand for such products is strong and growing by leaps and bounds.

Transition from traditional retail to organised retail is taking place with sale of branded jewellery on upswing. The convenience of shopping with multiplicity of choice under one roof, innovative and trendy designs, affordable price points are some of the factors appreciated by the new generation. This change in pattern, marked by a shift away from gold, is likely to continue, driving the diamond jewellery.

Online Sales

In the last two years, e-commerce and online shopping in India has exploded. Gone is the old notion that Indian need to see-touch-feel everything before they buy. From apparels to electronics, all categories have shown an exponential growth in online sales. Online sales offer distinct advantages of deeper catalogues and offer wider choices. Moreover, due to their 24x7 access, buyers can shop at their convenience beyond traditional shopping hours.

In line with the overall growth in e-commerce, online sales of jewellery are also on the upswing. Coupled with international designs, aggressive pricing, easy payment options like EMI and features like 30 days no questions asked return policy, these e-tailers are providing an excellent option for customers. Online sales and e-commerce in jewellery is expected to grow strongly in the future.

Diamond as an Investment Option

Diamonds are emerging as an alternate investment option. Diamonds offer moderate to low volatility in returns compared to most other asset class and yet they represent a store of value as prices have historically been growing and will continue to do so in the long term due to an expected shortage of supply, while the demand for diamonds is increasing by a double digit in India, China and other emerging markets. It has attracted public awareness in the last two years and offers huge growth potential.

RISK, THREATS AND CONCERNS

The Company has comprehensive risk management system where the senior management team sets the overall tone and risk culture of the organisation through defined and communicated corporate

values and a risk management model which promotes out-of-the-box thinking for converting potential risk to potential business opportunities.

The Company regularly scans the macro economy and industry for risks which it believes would affect its performance and prospects. The Company ensures that all such foreseeable risks are analysed in detail and appropriate measures are taken to mitigate these or limit their effect to minimal. Some of the foreseeable risks as envisaged and their management as envisaged by the Company are:

Rising Prices of Rough Diamonds

Rough prices continued to move upwards during the year and remained firm throughout the year. The prices are expected to increase further during the coming year. This coupled with weakening rupee has resulted in substantial increase in the cost.

The Company has its own manufacturing facilities that work on a 'Lean Manufacturing Process', with high yields and amongst the lowest wastages in the industry. Being vertically integrated also means that the Company can offer lowest-cost solution to its customers. The Company is constantly upgrading its plant and processes and emphasising on product innovations, thereby becoming more efficient not only in terms of quality and processing times, but also in terms of product pricing. With recent expansion of diamond processing capacity the Company will reduce outsourcing, resulting in better quality and yield with improved margins.

Synthetic Diamonds

There has been an influx of Synthetic Diamonds in all the major markets. In the recent past few cases of undisclosed mixing of synthetic diamonds with natural diamonds have been reported. With improvement in technologies year over year, it is getting increasingly difficult to differentiate between the natural and artificial diamonds. The situation is evolving into a major challenge as Consumer confidence has taken a serious blow.

Various initiatives are being undertaken by major diamond producers, trade bodies and retailers to increase the awareness about synthetic diamonds and its proper disclosure to boost the consumer confidence. The Gems and Jewellery Export Promotion Council has set up a Natural Diamond Monitoring Committee (NDMC) consisting of representatives from various trade bodies to address this issue. Proper disclosure of synthetic diamonds has been encouraged at all the levels in the value chain. Use of technically advanced equipment for the detection of undisclosed synthetic diamonds has also been increased.

Exchange Rate Risks

The industry is exposed to inherent risk of exchange rate fluctuations. The year 2013-14 witnessed continuous weakening of rupee amidst some

wild fluctuations. Rupee has depreciated over 11 per cent during last year. After breaching level of 68 per US\$, rupee stabilized around level of 60 toward the year end.

The import centric nature of the trade, acts as a natural hedge for the Company. The Company has a sound foreign exchange policy and experienced personnel constantly monitor the exchange rate movements and keep all exposures fully hedged. This ensures that the exchange rate fluctuations have no adverse impact on the margins of the Company.

Shortage of Skilled Workers

Diamond polishing and jewellery making is an art which has been passed on from generation to generation. With the advent of modern education, the age-old business of craftsmanship has been steadily losing steam. Various other career opportunities for the young educated Indians have taken precedence to this industry. Retaining the existing talent pool and attracting new manpower is a major concern for the industry.

The government has set up various training institutes to provide the Gems and Jewellery sector with a well-trained professional workforce that is proficient in all aspects of diamond assortment, grading, jewellery designing, jewellery manufacturing etc. The Company considers its people to be its most important resource and tries to ensure that they can climb up both the social as well as professional ladder while they are working for the Company. There is a continuous focus on employee training and development with specific emphasis on skill enhancement. With its people centric policies the Company has been able to attract and retain talent over years and enjoys one of the lowest attrition rate in the industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company is committed to ensuring that its operations are carried out within a well defined internal control framework. Good governance, well defined systems and processes and comprehensive internal audit function are the foundation of the internal control system. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by internal as well as statutory auditors and covers all the offices, manufacturing units and key areas of business. The Company has a well-defined system of management reporting and periodic review of businesses to ensure timely decision-making. These internal control procedures ensure the following:

- Efficient use and protection of resources
- Compliance with policies, procedures and statutes
- Accuracy and promptness of financial reports

The internal audit team routinely audits all processes and functions from manufacturing to accounting. Any discrepancy is immediately flagged off for corrective measures to the senior management. Internal audit reports are reviewed by the Audit Committee and corrective measures are carried out towards further improvement in systems and procedures and compliance with Internal Control System.

HUMAN RESOURCES

The Company prides in its people-centric principle in guiding its relationship with its employees. Employees are a key facet to the Company and the Company acknowledges that their contribution has played a key role in its growth and success. The Company ensures that safe working conditions are provided both in the manufacturing plants as well as offices of the Company. The Company regularly updates their skills with training and development programmes, which take place at all levels. The Company pursues a culture of rewarding of excellence and commitment and encouraging bonding and team work. The Company believes in creating positive, proactive and professional work environments where talents are nurtured and careers are advanced.

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.

DIRECTORS' REPORT



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twentieth Annual Report on the Business and Operations of your Company together with the Audited Statement of Accounts for the year ended March 31, 2014.

Financial Results

(Rs. in Crore)

Particulars	2013-2014	2012-2013
Total Sales	2,288.25	2,120.38
Add : Other Income	1.24	1.09
Total Income	2,289.49	2,121.47
Less : Total Expenditure	2,199.42	2,041.95
Operating Profit (PBDIT)	90.07	79.52
Less : Interest and Depreciation	31.24	28.86
Profit before Exceptional Items and Tax	58.83	50.66
Exceptional Items - Income / (Loss)	(0.13)	1.52
Provision for Tax	18.00	15.00
Provision for Deferred Tax	(0.04)	(0.39)
Profit after Tax	40.74	37.57
Add : Balance in Surplus Account Brought forward	232.03	200.20
Profit available for appropriation	272.77	237.77
Appropriation		
Dividend / Proposed Dividend on Equity Shares	2.40	3.20
Tax on Dividend	0.41	0.54
Transferred to General Reserve	2.00	2.00
Balance Carried forward to Balance Sheet	267.96	232.03
	272.77	237.77

Company's Performance

Considering the overall economic scenario and the competition in market, the performance of the Company during the year 2013-14 was quiet satisfactory. The sale during the year at Rs. 2,288.25 crore has grown by 8% over that of previous year whereas profit after tax for the year has grown by 8 % at Rs. 40.74 crore.

Dividend

Your Directors are pleased to recommend a dividend of Rs. 1.50 per Equity Share of Rs.10/- each for the financial year ended March 31, 2014 subject to the approval of the members on September 12, 2014. Equity Dividend if approved, will be paid to those members whose name appear on the Register of Members as at the end of business hours on September 7, 2014.

Deposit

The Company has neither accepted nor renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975. There are no deposits which are outstanding and/or which is claimed and not paid or unclaimed for which information is required to be given in this report.

Listing

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. The Company has paid listing fees for the year 2014-15.

Corporate Governance & Management Discussion and Analysis 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.

A report on Corporate Governance along with a certificate from auditors of the Company- V. A. Parikh & Associates, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and Management Discussion and Analysis Report are given separately in this report which forms a part of the Annual Report.

Directors

In accordance with Companies Act, 2013 and Articles of Association of the Company, Mr. Priyanshu A. Shah and Mr. Dharmesh D. Shah retires by rotation at the ensuing Annual General Meeting. Accordingly Mr. Priyanshu A. Shah and Mr. Dharmesh D. Shah based on their consent and eligibility are proposed for reappointment. Their reappointment forms a part of the Notice of the ensuing Annual General Meeting.

While Mr. Rahil V. Shah and Mr. Miyar R. Nayak were appointed as Additional Directors of the Company on January 17, 2014 such as they hold office up to the date of the ensuing Annual General Meeting. They are proposed to be reappointed in the ensuing Annual General Meeting.

As per section 149 of the Companies Act, 2013 and new clause 49 of the Listing Agreement, your company is required to appoint a woman Director. Your company is in the process of appointing a woman director on its Board.

Particulars of Employees

In terms of provision of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of the employees are required to be set out in Annexure to this Report. However as per the provision of Section 219(1) (b) (iv) of the Companies Act, 1956 the Annual Report and Annual Accounts of the Company sent to the shareholders do not contain the said annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office.

Particulars under Companies (Disclosure of particulars to the report of Board of Directors) Rules, 1988:-

Conservation of Energy

The activity of the Company does not require large-scale consumption of energy and the Company is not covered in the list of industries required to furnish information in Form - A relating to conservation of energy.

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. 1,64,203.43 lacs in foreign exchange by way of exports and has spent Rs. 1,14,639.27 lacs in foreign exchange, for the imports of materials & consumables, foreign travel and repairs and maintenance. The Directors are making their best endeavors to earn foreign exchange.

Subsidiary Companies

The Ministry of Corporate Affairs (MCA) by Circular No. 51/12/2007-CL-III dated 8th February, 2011, issued a direction under section 212(8) of the Companies Act, 1956 that the provisions of the Section 212 shall not apply to companies in relation to their subsidiaries subject to fulfilling certain conditions mentioned in the said circular with immediate effect. In pursuance of this circular the company has decided to avail the exemption from presenting the financial statements of the subsidiary companies. However, the financial statements of the Company and its subsidiaries shall be made available for inspection to the members and/ or will be allowed to take a copy of the same on demand being made by them.

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 2013-14, the Company has generated 196 lacs Kwh. resulting in the sales of Rs. 633.20 lacs.

Auditors

V. A. Parikh & Associates, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment, subject to the approval of member. In accordance with the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint them as the Auditors of the Company for the financial year 2014-2015.

Directors' Responsibility Statement

On the basis of compliance certificates received from the executives of the Company, subject to disclosures in Annual Accounts, and also on the basis of discussion with the Statutory Auditors of the Company from time to time, we state as under:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the Profit and Loss Account of the Company for the year ended on that date;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the annual accounts of the Company on a going concern basis.
- The Company has received certificate under section 274(1) (g) of the Companies Act, 1956 and none of the Directors are disqualified to act as Director.

Special Business

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

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

General

Notes forming part of the Accounts are self-explanatory.

Finance

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

Insurance

Properties and assets of the Company are adequately insured.

Consolidated Financial Statement

In accordance with the Accounting Standard 21, issued by The Institute of Chartered Accountants of India, the Directors have attached the Audited Consolidated Financial Statements for the year ended March 31, 2014.

Cash Flow

In conformity with the provision of Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended March 31, 2014 is annexed hereto.

Dematerialisation of Shares

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

Appreciation

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. Their enthusiasm and unstinting efforts have enabled the Company to create a sparkling image in the industry.

The Board is grateful for the valuable support and guidance provided by Securities Exchange Board of India, the Stock Exchange, Ministry of Corporate Affairs and all other Regulatory bodies. Your Directors also take this opportunity to thank the customers of the Company and acknowledge the continued assistance and co-operation received from Banks and other Government Agencies and Shareholders.

Place : Mumbai
Dated : May 22, 2014

For and on behalf of the Board

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

Dinesh T. Shah
Chairman & CFO

Vipul P. Shah
CEO & Managing Director

REPORT ON CORPORATE GOVERNANCE



REPORT ON CORPORATE GOVERNANCE

I Company's Philosophy

The 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 to achieve its goal of maximizing value for all its shareholders.

The Company has complied with the requirements of the revised guidelines on corporate governance stipulated under clause 49 of the Listing Agreement with the BSE. With the adoption of a Code of Conduct for Board of Directors and Senior Management Personnel and the implementation of a Whistle Blower Policy, the Company has moved further in its pursuit of excellence in corporate governance.

II Board of Directors

1) The Company has 12 directors on the Board. The Company has a Promoter Executive Chairman and 6 Independent Directors i.e. half of the total number of Directors on its Board. Composition of the Board of Directors includes 5 Executive Directors and 7 Non-Executive Directors. Board has also formed the committees as mentioned herein below in terms of Clause 49 of the Listing Agreement. None of the Directors is a member on the Board Committees of more than ten companies or acting as Chairman of more than five companies in which he is a Director.

During the year 2013-14, the Board of Directors met 5 times (30.05.2013, 14.08.2013, 13.11.2013, 17.01.2014 and 31.03.2014) with clearly defined agenda of the meetings sent in advance with suitable notes to the Directors.

The Board has agreed that Executive Directors of the Company are responsible for the day to day affairs of the Company. The details of the Directors on the Board of your Company as on March 31, 2014 are given below:

Name	Category	Board Meetings attended	Last AGM attendance	No. of outside directorship held in public companies	No. of Board Committee ⁵ of which he is a member	No. of Board Committee ⁵ of which he is a Chairman
Dinesh T. Shah*	Promoter Executive Chairman	4	Yes	-	-	-
Arvind T. Shah	Promoter Executive Director	4	Yes	-	-	-
Dharmesh D. Shah*	Promoter Non Executive Director	3	No	-	-	-
Vipul P. Shah	Promoter Executive Director	3	Yes	-	-	-
Priyanshu A. Shah	Promoter Executive Director	2	No	-	-	-
Rahil V. Shah* ¹	Executive Director	1	N.A.	Nil	Nil	Nil
K. Mohanram Pai	Independent Non Executive Director	5	Yes	1	-	-
Bhupendra K. Shroff	Independent Non Executive Director	5	Yes	2	1	-
Apurva R. Shah [#]	Independent Non Executive Director	4	Yes	4	3	2
Hasmukh B. Gandhi	Independent Non Executive Director	5	Yes	3	-	-
Milind H. Gandhi	Independent Non Executive Director	4	Yes	1	-	-
Miyar R. Nayak* ¹	Independent Non Executive Director	1	N.A.	1	Nil	Nil

⁵ Committee includes position of membership/chairmanship in Audit Committee, Remuneration Committee & Shareholders Committee of Companies other than Asian Star Company Limited.

[#] Apurva R. Shah is Alternative Chairman of Audit Committee of Steel Cast Limited.

* Designation of Mr. Dinesh T. Shah and Mr. Dharmesh D. Shah was changed vide Board resolution dated March 31, 2014.

^{*1} Inducted as "Additional Director" on January 17, 2014 [2 (two) meetings were held during their tenure].

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

3) Code of Conduct: The Company has framed a Code of Conduct for the members and Senior Management Personnel. The same is compiled with.

III Audit Committee

The Board of your Company has constituted a very qualified Audit Committee which promotes relationship of accountability between the Board, Management and Statutory Auditors. The composition of the Committee and the attendance of each member of the Committee are given below:

Name	Designation	Category	Committee Meetings Attendance
Bhupendra K. Shroff	Chairman	Non-Executive Independent Director	4
Apurva R. Shah	Member	Non-Executive Independent Director	3
K. Mohanram Pai	Member	Non-Executive Independent Director	4

During the year 2013-14, the Audit Committee met 4 times (30.05.2013, 14.08.2013, 13.11.2013 and 17.01.2014) with clearly defined agenda of the meetings.

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement with the BSE read with Section 292A of the Companies Act, 1956.

The previous Annual General Meeting of the Company was held on September 19, 2013 and Bhupendra K. Shroff, the Chairman of the Audit Committee, attended the said meeting.

IV Remuneration Committee (non-mandatory)

The following are the committee members:

- 1) Hasmukh B. Gandhi (Chairman)
- 2) Bhupendra K. Shroff
- 3) Apurva R. Shah

Payment of remuneration to all the Executive Directors is recommended by the Remuneration Committee reviewing the abilities and contribution of the individual Directors. The remuneration was revised with the approval of the shareholders in the Annual General Meeting held on September 19, 2013. Non-Executive Directors were paid sitting fees within the limits prescribed under the Act.

The details of actual payments made during the financial year 2013-14 to the Executive Directors of the Company are given below:

(Rs. In lacs)

Name	Designation	Gross Salary
Vipul P. Shah	CEO & Managing Director	75.00
Dharmesh D. Shah	CFO & Jt. Managing Director (till 31-03-2014)	75.00
Arvind T. Shah	Executive Director	75.00
Priyanshu A. Shah	Executive Director	48.00
Rahil V Shah	Executive Director	6.25

V Shareholders Committee

The following are the committee members:

- 1) Bhupendra K. Shroff (Chairman)
- 2) Apurva R. Shah
- 3) K. Mohanram Pai
- 4) Arvind T. Shah

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 and activities of Registrar and Transfer Agent and related investor grievances. The Company obtained and 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 and physical form.

No. of Queries / Complaints	Received	Redressed	Unresolved
Letters from shareholders	Nil	Nil	Nil

Company Secretary and Address for Correspondence

Name and Designation	Telephone No.	Email ID	Fax No.
Aparna Shinde, Company Secretary (w.e.f 1st April, 2014)	+ 9122 2282 1886	secretarial@asianstargroup.com	+ 9122 2204 3747

VI Corporate Governance Committee

The following are the committee members:

- 1) Bhupendra K. Shroff (Chairman)
- 2) Hasmukh B. Gandhi
- 3) K. Mohanram Pai
- 4) Arvind T. Shah

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 clause 49 of the Listing Agreement of the BSE and the same has been annexed to Directors' Report.

VII Finance Committee

The members of Finance Committee met 5 times (22.04.2013, 23.08.2013, 26.09.2013, 4.12.2013, 24.12.2013) This committee meets regularly to decide on matters pertaining to banking, finance, investments and working capital requirements. The following are the committee members:

- 1) Dinesh T. Shah (Chairman)
- 2) Arvind T. Shah
- 3) Vipul P. Shah
- 4) Dharmesh D. Shah
- 5) Priyanshu A. Shah

VIII General Body Meetings

- 1) Annual General Meeting to be held on
Date: September 12, 2014
Time: 4.00 p.m.
Venue: Sangam Hall, Agarwal Bhavan, 100-C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai - 400 002
Book Closure Date: September 8, 2014 to September 12, 2014 (Both the days inclusive)
Dividend Date: If approved at Annual General Meeting will be paid on or after September 12, 2014
- 2) Details on Annual General Meetings (AGM) :Location and time, where last three AGMs were held:

Year	Venue	Date	Time
2010-11	Sangam Hall, Mumbai	September 29, 2011	4.00 pm
2011-12	Sangam Hall, Mumbai	September 05, 2012	4.00 pm
2012-13	Sangam Hall, Mumbai	September 19, 2013	4.00 pm

- 3) Whether any special resolutions passed in the previous 3 AGMs? Yes
- 4) Whether special resolutions were put through postal ballot last year? No

IX Disclosures

- 1) All materially significant related party transactions are detailed out in note no. 31 attached to the Balance Sheet.
- 2) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Bombay Stock Exchange Limited or SEBI or any statutory authority, on any matter related to capital markets, during the last three years? - None.
- 3) The Company has formulated a mechanism for employees to report about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company Secretary and Audit Committee acts upon any reporting under Whistle Blower Policy.

X Means of Communication

The Company publishes its quarterly, half yearly financial results in national and regional news papers viz. Business Standard and Aapal Mahanagar. The Company also sends financial results to Stock Exchange immediately after its approval by the Board in terms of the requirements of Clause 41 of the Listing Agreement. The results of the Company are also posted on the Company's website at www.asianstargroup.com.

XI 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 2013-14 and Notice of 20th 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 for 2013-14 is being sent in the permitted mode.

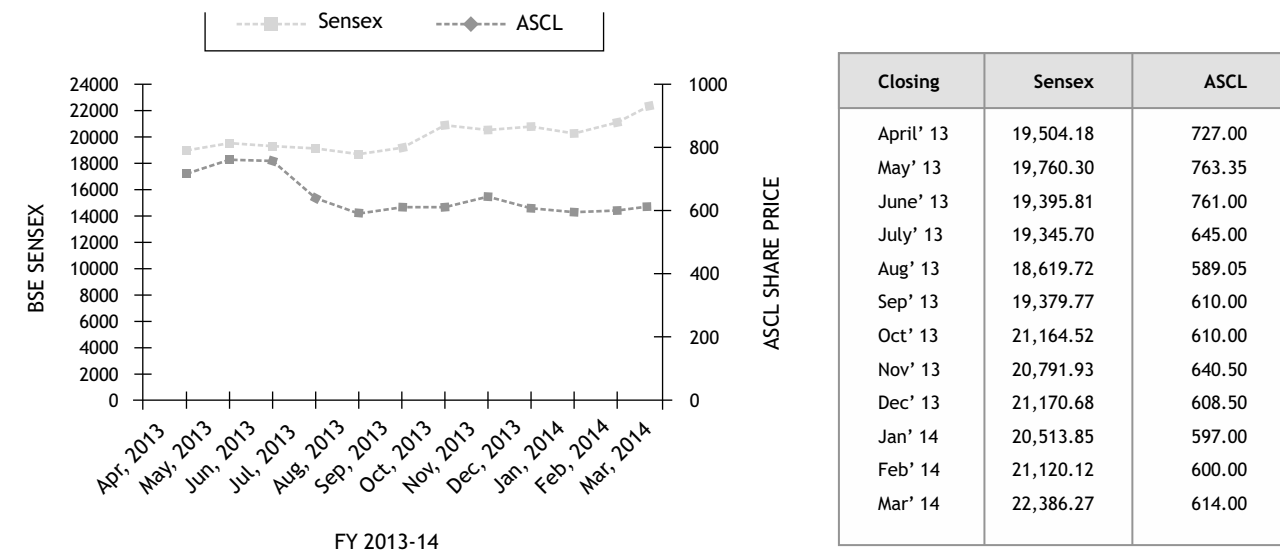
To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form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

XII General Shareholder Information

Sr. No.	Information	
1.	Date, Time and Venue of Annual General Meeting	September 12, 2014 at 4.00 p.m. Sangam Hall, Agarwal Bhavan, 100-C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai - 400 002.
2.	Financial Calendar - First quarter - Second quarter/Half year - Third quarter - Audited Annual Results	(Tentative Schedule) Second week of July, 2014 Second week of October, 2014 Second week of January, 2015 Second week of May, 2015
3.	Book Closure Date	September 8, 2014 to September 12, 2014 (Both days inclusive)
4.	Dividend Payment Date	Dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within prescribed time, subject to deduction of tax, if any.
5.	Listing on Stock Exchange at :	Bombay Stock Exchange Limited (Exchange Code - 531847) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023
6.	ISIN Number for NSDL & CDSL	INE194D01017
7.	CIN	L36910MH1995PLC086017

8. Month wise Stock Market Data relating to Equity Shares of the Company:

Performance of Equity Shares of the Company on BSE in comparison to BSE SENSEX



Month-wise data for Equity Shares of the Company at BSE:

Month	Price during each month		Month	Price during each month	
	High	Low		High	Low
April'13	727.00	726.80	Oct'13	610.00	610.00
May'13	763.35	763.35	Nov'13	640.50	640.50
June'13	801.00	761.00	Dec'13	608.50	608.50
July'13	723.00	630.00	Jan'14	604.00	523.50
Aug'13	650.00	589.05	Feb'14	600.00	511.95
Sep'13	610.00	610.00	Mar'14	614.00	515.00

9. Registrar & Share Transfer Agents:

Bigshare Services Pvt. Ltd.
E-2/3 Ansa Indl. Estate, Saki Vihar Road,
Saki Naka, Andheri (East), Mumbai 400 072.
Tel : +91 22 4043 0200 Fax : +91 22 2847 5207
E-mail: info@bigshareonline.com

10. Share Transfer System:

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

11. Distribution of Equity Shareholding as on March 31, 2014 :

No. of Shares		No. of Share Holders	% of Total Share Holders	No. of Shares	% of Total Shares
1	500	450	93.96	16,421	0.10
501	1,000	10	2.08	6,671	0.04
1,001	2,000	3	0.63	3,741	0.02
2,001	3,000	-	-	-	-
3,001	4,000	-	-	-	-
4,001	5,000	-	-	-	-
5,001	10,000	-	-	-	-
10,001	10,001 & above	16	3.33	15,979,967	99.84
Total		479	100.00	16,006,800	100.00

12. Categories of Equity Shareholding as on March 31, 2014:

Category	No. of Folios	No. of Shares Held	% of Total Shares Held
Indian promoters	8	11,950,000	74.66
Body Corporates	33	2,611,319	16.30
Indian Public	425	24,874	0.16
NRI & OCB's	7	705,504	4.41
FII's	-	-	-
Clearing Member	5	50	-
Insurance Companies	1	715,053	4.47
Total	479	16,006,800	100.00

13. Dematerialisation of Shares and Liquidity: 16,003,598 Equity Shares i.e. 99.98 % of total Equity Shares have been dematerialized up to March 31, 2014.

14. Manufacturing Facilities :**Cut & Polished Diamonds**

F.P.no. 138/151, Plot no.1
Near Sandesh Paper Press,
Purushottam Ginning Mill Compound,
A K Road, Surat, Gujarat -395 008.

Diamond Studded Jewellery

Plot No.5, F-11/12,
WICEL, Opp. SEEPZ,
MIDC (Marol),
Central Road,
Andheri (East),
Mumbai 400 093.

Plot No. 21,
New SIDCO,
Industrial Estate,
Srinagar,
Hosur,
Tamil Nadu 635 109.

Wind Energy

Sangli, Maharashtra,
Dindugul and
Coimbatore, Tamil Nadu
Pallakad, Kerala.

15. Members can contact us at our registered office:

Asian Star Company Limited
114-C, Mittal Court,
Nariman Point, Mumbai 400 021.
Email: secretarial@asianstargroup.com
Tel.: +9122 2282 1886
Fax: +9122 2204 3747

Some of the points referred in non-mandatory requirements under Annexure ID of Clause 49 of the Listing Agreement are being pursued by the Company.

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

In accordance with Clause 49 sub clause I (D) of the listing agreement with the Bombay Stock Exchange Limited, I confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Company's Code of Conduct, as applicable to them for the Financial Year ended March 31, 2014.

For Asian Star Company Limited

Place : Mumbai
Date : May 22, 2014

Dinesh T. Shah
Chairman & CFO

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members
Asian Star Company Limited

We have examined the compliance of conditions of Corporate Governance by Asian Star Company Limited, for the year ended on March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further 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 V. A. Parikh & Associates
Chartered Accountants
FR No. 112787W

Place : Mumbai
Date : May 22, 2014

Jinesh J. Shah
Partner
Membership No. 111155

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To,
The Members of Asian Star Company Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of Asian Star Company Limited ("The Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2014 ;
- ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date ; and
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227(3) of the Act we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Account.

- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- e) On the basis of written representations received from the Directors, as on 31st March 2014 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2014 from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 of Companies Act, 1956.

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

JINESH J. SHAH
Partner
Membership No. 111155

Place : Mumbai
Date : May 22, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Re: Asian Star Company Limited

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

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b. As explained to us, all the assets have been physically verified by the Management at the end of the accounting year and no material discrepancies were noticed on physical verification as compared to the book records.
c. The assets disposed off during the year are not significant and therefore do not affect the going concern assumption.
2. a. The stocks of finished goods and raw-materials have been physically verified by the management at the end of the accounting year.
b. In our opinion, and according to the information and explanations given to us, the procedures of physical verifications of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c. In our opinion the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification as compared to the book records.
3. a. The Company has granted loans to one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs. 971.41 lacs and the year end balance was Rs. 790.41 lacs.
b. These loans are unsecured, interest free and unconditional.
c. The principal amounts are repayable on demand and there is no repayment schedule.
d. There is no overdue amount. In view of this sub clause (d) of this clause is not applicable.
e. The Company has not taken any loan (secured or unsecured) from companies, firms or other parties covered in the register maintained under Section 301 of the Act excepting unsecured loan from five of its Directors. The maximum amount involved during the year was Rs. 6,108.05 lacs and the year end balance of loans taken was Rs. 5,818.05 lacs.
f. These loans are unsecured, interest free and unconditional.
g. The principal amounts are repayable on demand and there is no repayment schedule.
4. In our opinion and according to the information and explanations given to us, the company has an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and also for sale of goods and services. During the course of our audit, no major weaknesses were noticed in the internal control system.
5. a. In our opinion and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under Section 301 have been properly entered in the said register.
b. In our opinion and according to the information and explanations given to us, the transactions entered in the register maintained under Section 301 in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time and as per the Company's business need and exigencies.
6. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
7. In our opinion the Company has internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. a. According to the records of the Company and as per information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues applicable to it and there were no undisputed dues outstanding as on 31st March, 2014 for a period of more than six months from the date they become payable.
- b. In our opinion and according to the information and explanation given to us, there are no dues in respect of Sales Tax, Custom Duty, Wealth Tax, Excise Duty, and Cess that have not been deposited on account of any dispute.
- c. Details of dues of Income Tax and Service Tax which have not been deposited as at March 31, 2014 on account of disputes are given below:

Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount (in Lacs)
Income Tax	F.Y: 2004-05 to 2010-11	Commissioner of Income Tax (Appeals)	54.21
Service Tax	May'06 to September'12	Assistant Commissioner of Service Tax	446.43

10. The Company neither has any accumulated losses at the end of the financial year nor it has incurred any cash loss during the financial year or immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to any Financial Institution or Bank.
12. In our opinion and according to the information and explanations given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit/nidhi/mutual benefit fund/society and hence clause (xiii) of the Order is not applicable.
14. In our opinion, the Company has maintained proper records of transactions and contracts in respect of dealing or trading in shares, securities and other investments and timely entries have been made therein. All shares and other investments have been held by the Company in its own name except for shares held in accordance with exemption provided under section 49 (3) of the Companies Act, 1956.
15. In our opinion and according to the information and explanations given to us, the guarantee given by the Company in respect of loans taken by others from bank, the terms and conditions thereof is not prejudicial to the interest of the Company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not obtained any term loans.
17. In our opinion and according to the information and explanations given to us the short term funds raised by the Company have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the financial year.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us no fraud on or by the Company has been reported during the year.

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

JINESH J. SHAH
Partner
Membership No. 111155

Place : Mumbai
Date : May 22, 2014

ASIAN STAR COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1,600.68	1,600.68
Reserves and Surplus	2	44,844.40	41,050.99
		46,445.08	42,651.67
Non-Current Liabilities			
Long-Term Borrowings	3	5,818.05	4,187.05
Deferred Tax Liabilities (Net)	4	2,459.52	2,463.93
Long-Term Provisions	5	6,263.75	4,806.46
		14,541.32	11,457.44
Current Liabilities			
Short-Term Borrowings	6	75,930.30	74,709.83
Trade Payables	7	8,538.75	18,180.14
Other Current Liabilities	8	434.66	2,717.07
Short-Term Provisions	9	2,088.51	1,785.84
		86,992.22	97,392.88
TOTAL		1,47,978.62	1,51,501.99
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	16,775.45	14,921.54
Capital Work-In-Progress		1,686.56	1,728.13
		18,462.01	16,649.67
Non-Current Investments	11	348.16	348.16
Long-Term Loans and Advances	12	1,484.51	1,399.93
Other Non-Current Assets	13	6,362.74	4,672.38
		26,657.42	23,070.14
Current Assets			
Current Investments	14	129.48	390.40
Inventories	15	38,263.63	51,488.92
Trade Receivables	16	64,574.15	60,910.00
Cash and Bank Balances	17	14,722.07	11,296.25
Short-Term Loans and Advances	18	3,631.87	4,346.28
		1,21,321.20	1,28,431.85
TOTAL		1,47,978.62	1,51,501.99
Significant Accounting Policies			
Notes on Financial Statements	1 to 43		

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place : Mumbai
Dated : May 22, 2014

APARNA SHINDE
Company Secretary
Place : Mumbai
Dated : May 22, 2014

DINESH T. SHAH
Chairman & CFO
Place : Mumbai
Dated : May 22, 2014

VIPUL P. SHAH
CEO & Managing Director
Place : Mumbai
Dated : May 22, 2014

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

PARTICULARS	NOTE	2013-2014		2012-2013	
Revenue From Operations	19	2,28,824.81		2,12,038.30	
Other Income	20	123.75		109.03	
Total Revenue			2,28,948.56		2,12,147.33
EXPENSES					
Cost of Materials Consumed	21	1,84,579.97		1,85,797.03	
Purchases of Stock-In-Trade		891.92		8,442.27	
Changes in Inventories of Work-in-Progress & Finished Goods	22	9,591.81		(9,357.42)	
Employee Benefits Expense	23	2,768.36		2,438.85	
Finance Costs	24	2,244.14		2,035.12	
Depreciation and Amortization Expense		880.33		851.10	
Other Expenses	25	22,109.64		16,874.57	
Total Expenses			2,23,066.17		2,07,081.52
Profit Before Exceptional Items & Tax			5,882.39		5,065.81
Exceptional Items Income/(Loss)	26		(12.45)		151.69
Profit Before Tax			5,869.94		5,217.50
Tax expense					
Current Tax			1,800.03		1,500.20
Deferred Tax			(4.41)		(38.88)
Profit After Tax			4,074.32		3,756.18
Earnings Per Equity Share:					
Basic and Diluted (In Rs.)			25.45		23.47
Significant Accounting Policies					
Notes on Financial Statements	1 to 43				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place : Mumbai
Dated : May 22, 2014

APARNA SHINDE
Company Secretary
Place : Mumbai
Dated : May 22, 2014

DINESH T. SHAH
Chairman & CFO
Place : Mumbai
Dated : May 22, 2014

VIPUL P. SHAH
CEO & Managing Director
Place : Mumbai
Dated : May 22, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	5,869.94	5,217.50
Adjustment for		
Depreciation	880.33	851.10
Finance Costs	2,244.14	2,035.12
Unrealised Foreign Exchange (Gain) / Loss	431.20	341.00
Dividend Received	(5.43)	(2.13)
(Profit)/Loss on Sale of Fixed Assets	12.45	(151.69)
(Profit)/Loss on sale of Investments	(104.99)	(49.90)
Diminution in value of Investment written off / (written back)	-	(54.52)
Wealth Tax	1.15	1.41
Operating Profit Before Working Capital Changes	9,328.79	8,187.90
Adjustment for		
Receivables	(4,434.24)	(14,186.30)
Inventories	13,225.27	(9,952.03)
Loans & Advances	950.41	4,096.75
Current Liabilities	(11,978.22)	5,279.06
Cash Generated from / (used in) Operations	7,092.01	(6,574.62)
Taxation	(2,012.09)	(2,585.87)
Net Cash from / (used in) Operating Activities	5,079.92	(9,160.49)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Includes Capital Work in Progress)	(2,822.00)	(2,471.13)
Sale of Fixed Assets	116.87	187.04
Purchase / Increase of Investments	(3.26)	(296.77)
Dividend Received	5.43	2.13
Sale/Decrease of Investments	369.18	99.90
Net Cash from / (used in) Investing Activities	(2,333.78)	(2,478.83)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	1,631.01	(1,129.94)
Short Term Borrowings	1,573.72	17,471.70
Finance Costs	(2,244.14)	(2,035.12)
Dividend Paid	(240.10)	(240.10)
Tax on Dividend	(40.81)	(38.95)
Net Cash from / (used in) Financing Activities	679.68	14,027.59
Net Increase / (decrease) in Cash & Cash Equivalents	3,425.82	2,388.27
Cash & Cash Equivalents as at 1st April (Opening)	11,296.25	8,907.98
Cash & Cash Equivalents as at 31st March (Closing)	14,722.07	11,296.25

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place : Mumbai
Dated : May 22, 2014

APARNA SHINDE
Company Secretary
Place : Mumbai
Dated : May 22, 2014

DINESH T. SHAH
Chairman & CFO
Place : Mumbai
Dated : May 22, 2014

VIPUL P. SHAH
CEO & Managing Director
Place : Mumbai
Dated : May 22, 2014

SIGNIFICANT ACCOUNTING POLICIES

A. Basis for Preparation of Financial Statements

The financial statements have been prepared using mercantile system of accounting under the historical cost convention. It recognises significant items of income and expenditure on accrual basis. The accounts have been prepared to comply in all material aspects with applicable accounting principles in India and the provisions of the Companies Act, 1956.

B. Sales

Income from the sale of diamonds / jewellery is recognised when the sale has been completed with the passing of the title. Income from sale of wind energy is recognised on its transmission and delivery. Sales includes sale of goods and services and gain/loss on exchange fluctuations.

C. Other Income

Interest

Interest income is recognised on accrual basis.

Income from Investments

Income from investment is accounted in the year in which the unconditional right to receive such income is established.

D. Depreciation

Depreciation on fixed assets has been provided at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 on straight line basis.

E. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An Impairment loss is charged to the profit and loss account in the year in which the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. Foreign Currency Transactions

F.1 Transactions denominated in foreign currencies are recorded at the Exchange rate prevailing at the time of the transaction.

F.2 Monetary items denominated in foreign currencies at the year-end are translated at year-end exchange rate and the resultant exchange differences are recognised in the profit and loss account.

F.3 The Company enters into forward / option contracts for hedging purpose. In case of forward contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference. The proportionate difference between the forward rate and the exchange rate on the date of transaction is recognised over the life of the contract. In case of option contracts, the premium paid and gain / loss are recognized as exchange difference on the date of settlement of the contract. Mark to market loss, if any, is recognized as exchange difference at the year end.

F.4 Non monetary foreign currency items are carried at cost.

F.5 Any income or expense on account of exchange difference either on settlement or on translation is adjusted to the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

G. Fixed Assets

Cost of Fixed Assets comprises of purchase price, duties, levies and any cost directly attributable to bringing the asset to its working condition for the intended use. Fixed Assets are stated at cost less accumulated depreciation.

H. Capital Work in Progress

Capital work in progress comprises of cost of acquisition of assets, duties, levies and any cost directly attributable to bringing the asset to its working condition for the intended use. Expenditure incurred on project under implementation is treated as incidental expenditure incurred during construction and is pending allocation to the assets which will be allocated / apportioned on completion of the project.

I. Borrowing Costs

All borrowing costs, which are of revenue nature, are charged to Profit and Loss Statement.

J. Investment

J1. Long term investments are valued at cost. Provision for diminution in value is made only if such diminution is otherwise than temporary in the opinion of the management.

J2. Current Investments - Quoted are valued at cost or market value, whichever is lower.

K. Inventories

K1. Stock of raw materials is stated at 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.

K2. Work in Process is valued at technically evaluated cost. Finished goods are valued at technically evaluated cost or estimated net realizable value, whichever is lower. Cost includes cost of material and related conversion cost. In view of the nature of variation in the values of individual diamonds and the differential in their processing costs, it is not practicable to compute the cost of polished diamonds using either FIFO or weighted average cost. In view of the numerous grades, it is not practicable to use specific costs. The method of valuation is therefore in compliance with "AS2" issued by the Institute of Chartered Accountants of India to the extent practicable.

K.3 Consumables are valued at cost.

L. Employee Benefits

L1. Short term Employees benefit

Short term employee benefits are recognized in the period during which the service has been rendered.

L2. Long Term Employee Benefit

a) Provident Fund Act, Family Pension Fund & Employees State Insurance Scheme.

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

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

b) 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. 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.

M. Taxation

Current Tax is determined as the amount of tax payable in respect of taxable income for the year after considering various relief's admissible under provisions of the Income Tax Act, 1961. The deferred tax for timing difference between the book and tax profit for the year is accounted for using tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax asset arising from timing difference are recognised to the extent that there is virtual certainty that sufficient future taxable income will be available.

N. Provisions, Contingent Liabilities and Contingent Assets

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs.10 each	2,500.00	2,500.00
4,00,00,000 (4,00,00,000) Redeemable Cumulative Preference Shares of Rs.10 each	4,000.00	4,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each (53,35,600 shares of the issued, subscribed and paid up share capital were allotted as bonus shares during the financial year 2012-2013 by capitalisation of Capital Redemption Reserve)	1,600.68	1,600.68
Total	1,600.68	1,600.68

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

NAME OF THE SHAREHOLDERS	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
	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	12,00,000	7.50
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
Total	1,19,50,000	74.66	1,20,00,000	74.98

1.2 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
Equity shares at the beginning of the year	1,60,06,800	1,06,71,200
Add: Shares issued as bonus shares	-	5,335,600
Equity shares at the end of the year	1,60,06,800	1,60,06,800

2. RESERVES & SURPLUS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
Capital Reserves				
As per Last Balance Sheet		298.16		298.16
Capital Redemption Reserve				
As per Last Balance Sheet	1,986.44		2,520.00	
Less: Utilised for Bonus issue of Equity shares	-		533.56	
		1,986.44		1,986.44
General Reserves				
As per Last Balance Sheet	15,563.68		15,363.68	
Add : Transfer from Profit and Loss Statement	200.00		200.00	
		15,763.68		15,563.68
Surplus Account				
As per last Balance Sheet	23,202.71		20,020.45	
Add: Profit for the Year	4,074.32		3,756.18	
	27,277.03		23,776.63	
Less: Appropriations				
Transferred to General Reserve	200.00		200.00	
Proposed Dividend on Equity Shares (Dividend per Share Rs.1.50/-) (Previous Year Dividend per Share Rs.1.50/-)	240.10		240.10	
Tax on Dividend Proposed	40.81		40.81	
Dividend on Equity Shares (Bonus issue) paid during the year	-		80.03	
Tax on Dividend (Bonus issue) paid during the year	-		12.98	
	480.91		573.92	
		26,796.12		23,202.71
Total		44,844.40		41,050.99

3. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
Unsecured Loans		
Loan from Related Party- Directors	5,818.05	4,187.05
Total	5,818.05	4,187.05

4. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
Deferred Tax Liability on account of:		
Depreciation	A	2,533.02
		2,544.65
Deferred Tax Asset on account of:		
Provision for diminution in market value of Current Investments		0.99
Provision for Doubtful Debts		7.77
Gratuity Liability	B	64.74
		73.50
Deferred Tax Liability - Net	A-B	2,459.52
		2,463.93

5. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Provision for Employee Benefits		
Provision for Gratuity	195.91	218.17
Others		
Taxation	6,067.84	4,588.29
Total	6,263.75	4,806.46

6. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Secured Loans		
Working Capital Loan from Banks	75,930.30	74,709.83
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Mortgage of Premises at Mumbai		
d. Guaranteed by some of the Directors in their Personal Capacity		
Total	75,930.30	74,709.83

7. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Creditors for Goods	6,755.07	16,502.91
Creditors for Processing	1,783.68	1,677.23
Total	8,538.75	18,180.14

8. OTHER CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Other Payables*	434.43	2,716.74
Unclaimed Dividend	0.23	0.33
Total	434.66	2,717.07

* Includes statutory dues and payable for expenses /services.

9. SHORT TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Employee Benefits		
Leave Encashment (unfunded)	7.57	4.73
Others		
Proposed Dividend	240.10	240.10
Tax On Dividend	40.81	40.81
Provision for Taxation	1,800.03	1,500.20
Total	2,088.51	1,785.84

10. FIXED ASSETS

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At April 1, 2013	For The Year	Deductions	As At March 31, 2014	As At March 31, 2013
Tangible Assets									
Land	774.81	-	-	774.81	-	-	-	774.81	774.81
Office Premises	3,001.49	-	79.27	2,922.22	345.49	47.23	19.51	373.21	2,549.01
Factory Premises	1,452.32	780.54	-	2,232.86	235.52	43.53	-	279.05	1,953.81
Plant & Machinery	11,357.23	1,234.54	-	12,591.77	2,960.81	588.96	-	3,549.77	9,042.00
Vehicles	421.53	192.59	7.93	606.19	159.44	44.34	5.98	197.80	408.39
Furniture & Fixtures	829.97	207.42	40.93	996.46	309.15	50.00	31.11	328.04	668.42
Office Equipments	1,418.04	379.98	97.02	1,701.00	419.44	69.92	35.55	453.81	1,247.19
Computer	416.39	68.47	-	484.86	320.37	36.35	3.68	353.04	131.82
CURRENT YEAR	19,671.78	2,863.54	225.15	22,310.17	4,750.22	880.33	95.83	5,534.72	16,775.45
PREVIOUS YEAR	18,773.99	973.86	76.07	19,671.78	3,939.84	851.10	40.72	4,750.22	14,921.54

11. NON-CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
A. Trade Investments	-	-
B. Other Investments - Long Term		
Unquoted, fully paid up In Equity Shares of Subsidiary Companies		
Wholly owned subsidiary- Asian Star Co.Ltd., USA 5 (5) Shares of US\$ 1,00,000 each.	178.75	178.75
Wholly owned subsidiary - Asian Star DMCC 200 (200) Shares of AED 1,000 each	12.01	12.01
Wholly owned subsidiary- Asian Star Jewels Pvt Ltd 10,00,000 (10,00,000) Shares of Rs. 10 each.	100.00	100.00
Wholly owned subsidiary- Asian Star Trading (Hongkong) Ltd 10,000 (10,000) Shares of HK\$ 100 each.	57.40	57.40
Total	348.16	348.16

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

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Capital Advances	460.00	597.38
Security Deposits	234.10	231.14
Loans and advances to related parties (Loan to Subsidiary Company)	790.41	571.41
Total	1,484.51	1,399.93

13. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Advance Tax	6,318.22	4,628.09
Deposits With Others	44.52	44.29
Total	6,362.74	4,672.38

14. CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Investments in Equity		
Quoted, fully paid up		
Classic Diamond (India) Ltd. 5,000 (5,000) Shares of Rs. 2 each	4.69	4.69
Flawless Daimond (India) Ltd. 100 (100) Shares of Rs. 1 each	0.01	0.01
Gitanjali Gems Ltd. 1,000 (1,000) Shares of Rs. 10 each	2.20	2.20
Golddiam International Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.97	0.97
Golkunda Diamonds & Jewellery Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Parekh Platinum Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Rajesh Exports Ltd. 600 (600) Shares of Re. 1 each	0.52	0.52
S.B. & T International Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shantivijay Jewels Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shrenuj & Co Ltd. 1,000 (1,000) Shares of Rs. 2 each	0.45	0.45
Windsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.56	0.56
Vaibhav Global Ltd. 10 (10) Shares of Rs. 10 each	0.03	0.03
Zodia JRD MKJ Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Va-Tech Wabag Ltd. Nil (565) Shares of Rs. 2 each	-	2.95
P.C.Jewellers Ltd. Nil (1,104) Shares of Rs. 10 each	-	1.49
Tribhovandas Bhimji Zaveri Ltd. 1,00,000 (2,64,064) Shares of Rs. 10 each	120.00	295.28
A	129.48	309.20
Investments in Mutual Fund		
Quoted, fully paid up		
JM Basic Fund - Growth Option Nil (44,992) units of Rs.10 each	-	6.20
JM Basic Fund - Dividend Option Nil (84,555) units of Rs.10 each	-	25.00
Reliance Diversified Power Sec Fund Nil (47,975) units of Rs.10 each	-	25.00
Reliance Vision Fund Nil (39,708) units of Rs.10 each	-	25.00
B	-	81.20
Total	129.48	390.40
Less:-		
Adjustment to carrying amount of Investments	-	-
Total	129.48	390.40
Aggregate amount of quoted investments	129.48	390.40
Market Value of quoted investments	133.52	610.67
Basis of Valuation - at cost or market whichever is lower		

15. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
Raw Materials	20,395.23	24,039.66
Work In Progress	2,480.73	1,843.08
Finished Goods	15,363.01	25,592.47
Consumables (As verified, valued and certified by a Director)	24.66	13.71
Total	38,263.63	51,488.92

16. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
	Unsecured			
Over six months from due date				
Considered Good	333.62		345.27	
Considered Doubtful	-		-	
	333.62		345.27	
Less: Provision for Doubtful Debts	-		-	
		333.62		345.27
Others				
Considered Good		64,240.53		60,564.73
Total		64,574.15		60,910.00

17. CASH AND BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
Balances with Banks	5,001.39	3,008.33
Cheques/Demand Draft on Hand	600.00	-
Fixed Deposits with Banks	9,094.37	8,265.06
Cash on hand	26.31	22.86
Total	14,722.07	11,296.25

Balance with banks include unclaimed dividend of Rs. 0.24 Lacs (Previous Year Rs. 0.33 Lacs) & unclaimed fractional entitlement Rs. 0.17 Lacs (Previous Year Rs. Nil).

Fixed Deposits with banks include deposits of Rs. 1,135.90 Lacs (Previous Year Rs. 345.34 Lacs) with maturity of more than 12 months.

Fixed Deposits with banks includes deposits of Rs. 529.05 Lacs (Previous Year Rs. 488.88 Lacs) kept under lien with the bank as security for bank facilities obtained by a subsidiary company.

18. SHORT TERM LOANS AND ADVANCES

(Rs. in Lacs)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
Advance Tax	1,852.15	1,356.03
Loans & Advances Others*		
Unsecured, considered good	1,779.72	2,990.25
Total	3,631.87	4,346.28

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

19. REVENUE FROM OPERATIONS

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
	Sale of Products	2,28,778.56
Sale of Services	46.25	103.72
Total	2,28,824.81	2,12,038.30

19.1 PARTICULARS OF THE SALE OF PRODUCTS

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
	Diamond	1,92,236.59
Jewellery	35,908.77	33,257.85
Power- Windmill	633.20	802.14
Total	2,28,778.56	2,11,934.58

20. OTHER INCOME

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
	Dividend Income	5.43
Net gain/(loss) on Sale of Investments	104.99	49.90
Provision for Diminution in Value of Investments Written Back	-	54.52
Miscellaneous Receipts	13.33	2.48
Total	123.75	109.03

21. COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
	Stock at the Commencement	24,039.66
Purchases during the year	1,80,935.54	1,86,392.16
	2,04,975.20	2,09,836.69
Less: Stock at the Close	20,395.23	24,039.66
Total	1,84,579.97	1,85,797.03

21.1 COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
	Rough Diamonds	1,67,441.95
Others	17,138.02	16,457.32
Total	1,84,579.97	1,85,797.03

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

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Variation in Stock of Work In Progress		
Stock at the Commencement	1,843.08	1,633.18
Less: Stock at the Close	2,480.73	1,843.08
A	(637.65)	(209.90)
Variation in Stock of Finished Goods		
Stock at the Commencement	25,592.47	16,320.45
Less: Stock at the Close	15,363.01	25,592.47
B	10,229.46	(9,272.02)
Variation in Stock of Stock-in-Trade		
Stock at the Commencement	-	124.50
Less: Stock at the Close	-	-
C	-	124.50
Total	9,591.81	(9,357.42)
A+B+C		

23. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Salary & Bonus	1,852.73	1,620.70
Director's Remuneration	279.25	186.00
Wages	353.94	297.55
Gratuity	57.74	103.70
Ex Gratia & Leave Encashment	60.52	51.06
Labour Welfare Fund Expenses	0.61	0.52
Contribution to Provident Fund	91.57	86.17
Group Insurance	28.88	55.89
Contribution to E.S.I.C.	30.36	27.61
Staff Welfare Expenses	12.76	9.65
Total	2,768.36	2,438.85

24. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Interest Expense	2,001.25	1,810.11
Other Borrowing Costs	229.14	225.01
Other Interest *	13.75	-
Total	2,244.14	2,035.12

* Includes interest on late payment of Service Tax.

25. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Manufacturing Expenses		
Processing Expenses	18,314.03	13,605.09
Electricity, Power & Fuel	369.86	371.66
Consumables	235.89	300.91
Factory Expenses	44.36	35.28
	18,964.14	14,312.94
Administrative / Selling & Distribution Expenses		
Bank Commission & Charges	189.03	151.74
Electrical Charges	120.55	146.19
Telephone, Internet and Fax Charges	72.09	64.87
Local Traveling and Conveyance	52.77	53.91
Legal & Professional fees	101.65	93.96
Audit Fees	5.06	5.04
Printing & Stationery	38.74	37.65
Repairs & Maintenance (Other)	88.97	82.10
Repairs & Maintenance (Building)	2.75	1.17
Repairs & Maintenance (Plant & Machinery)	191.03	75.17
Repairs & Maintenance (Windmill)	180.26	171.82
Postage and Courier	58.29	41.25
Rates & Taxes	56.79	9.52
Motor Car Expenses	50.44	35.96
Insurance Premium	203.30	176.87
Rent & Compensation	154.62	119.39
Donation	88.61	48.15
Stamp duty on Bonus shares	-	22.03
Office Canteen Expenses	99.57	91.93
Office Expenses	13.67	14.60
Director's Sitting Fees	1.83	1.67
Sundry Expenses	66.34	53.23
Security Charges	63.55	63.64
Registration & Filing Charges	1.94	3.15
Wealth Tax	1.15	1.41
Membership and Subscription	11.22	12.85
Prior Year Expense	1.13	-
Advertisement	53.11	62.27
Sales Expenses	79.17	61.45
Entertainment Expenses	31.87	33.15
Foreign Travelling	151.62	100.78
Commission on Sales	207.69	210.03
Re-Assortment Charges	28.96	26.25
Freight & Clearing Charges	175.88	142.30
Agency Charges	17.10	15.63
E.C.G.C. Premium	150.71	120.19
Diamond Grading Charges	305.87	188.44
Diamond Scanning Charges	0.55	-
Packing Expenses	27.62	21.87
	3,145.50	2,561.63
Total	22,109.64	16,874.57

26. EXCEPTIONAL ITEMS INCOME / (LOSS)

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Net gain/(loss) on sale of Fixed Assets	(12.45)	151.69
Total	(12.45)	151.69

27. Surplus / (Deficit) on account of exchange difference on outstanding forward exchange contracts to be recognized in profit and loss statement of subsequent accounting period aggregate to Rs. 10.22 crores (For F.Y. 2012-13 it was Rs 4.83 crores).

28. Derivatives Instrument:

- a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2014.
- i) For hedging currency related risk:
Forward / option contracts (net) for Sales entered into by the company and outstanding as on 31st March, 2014 amount to Rs. 1,610.21 crores (for F.Y. 2012-13 forward / option contracts (net) for purchase was Rs. 1,154.41 crores)
- ii) For Hedging commodity related risk:
Forward contracts for Gold and Silver entered into by the company and outstanding as on 31st March, 2014 covers 5 Kgs and 270 Kgs respectively. (For F.Y. 2012-13 it was 82 Kgs and Nil kgs respectively.)
- b) Foreign currency exposure that is not hedged by the derivative instruments as on 31st March, 2014, amount to Rs. 296.07 crores. (For F.Y. 2012-13 it was Rs. NIL).

29. 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	AS AT
		31ST MARCH, 2014	31ST MARCH, 2013
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	-	-

30. The Company has given guarantee of Rs. 150.43 crores (previous year Rs. 138.38 crores) to Banks for facilities availed by its subsidiary companies. The company has disputed income tax liability of Rs. 0.54 crores (previous year 36.39 crores) and disputed service tax liability of Rs.4.46 crores (previous year 4.46 crores).

31. Related Party Disclosure for the year ended 31st March, 2014**(i) List of Related Parties and Relationships:**

(A) Particulars of Enterprises controlled by the Company Name of Related Party Asian Star Co. Ltd. (U.S.A.) Asian Star DMCC Asian Star Jewels Pvt. Ltd. Asian Star Trading (Hong Kong) Ltd	Relationship Subsidiary Subsidiary Subsidiary Subsidiary
(B) Particulars of Key Management Personnel Name of Related Party Dinesh T. Shah Vipul P. Shah Dharmesh D. Shah Arvind T. Shah Priyanshu A. Shah Rahil V. Shah	Relationship Chairman & CFO CEO & Managing Director Director Executive Director Executive Director 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 Shah Enterprises	
(D) Particulars of Relatives of Key Management Personnel where there are transactions Sujata V. Shah	

ii) Transactions during the year with Related Parties:

(Rs. In Lacs)

Particulars	Name of the Party	Volume 2013-2014	Amount Outstanding as on 31.03.2014
Sale of Polished Diamonds	Asian Star Co. Ltd. (USA)	13,039.67	5,853.66
	Asian Star Jewels Pvt. Ltd.	4,572.01	1,324.40
	Jewel Art (Unit-II)	12.32	Nil
Purchase of Polished Diamonds	Asian Star Co. Ltd. (USA)	194.16	Nil
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	Nil	178.75
	Asian Star Trading (Hong kong) Ltd.	Nil	57.40
	Asian Star DMCC	Nil	12.01
	Asian Star Jewels Pvt. Ltd.	Nil	100.00
Loan Given to Subsidiary (Net)	Asian Star Jewels Pvt. Ltd.	219.00	790.41
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	4.48	Nil
Sale of Colour Stone	Asian Star Jewels Pvt. Ltd.	6.72	Nil
Directors' Remuneration	Arvind T. Shah	75.00	Nil
	Dharmesh D. Shah	75.00	Nil
	Vipul P. Shah	75.00	Nil
	Priyanshu A. Shah	48.00	Nil
	Rahil V. Shah	6.25	Nil
Rent Paid	Arvind T. Shah	0.96	Nil
	Dharmesh D. Shah	0.72	Nil
	Vipul P. Shah	0.96	Nil
	Dinesh T. Shah	0.96	Nil
Deposits given for Office Premises	Arvind T. Shah	Nil	30.00
	Dharmesh D. Shah	Nil	20.00
	Vipul P. Shah	Nil	30.00
	Dinesh T. Shah	Nil	30.00
Unsecured Loans Taken (Net)	Arvind T. Shah	14.00	31.05
	Dharmesh D. Shah	593.00	1,413.00
	Vipul P. Shah	725.00	3,125.00
	Priyanshu A. Shah	224.00	984.00
	Dinesh T. Shah	75.00	265.00
Contract for Processing of Diamonds	Shah Manufacturers	2,504.74	(48.84)
Sale of Jewellery	Sujata V. Shah	14.48	Nil

32. During the year, Company has recognised the following amounts in the financial statements:

a) Defined Contribution Plan

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

(Rs. in Lacs)

PARTICULARS	Amount
Employers Contribution to Provident Fund & Family Pension Fund	91.57
Employers Contribution to Employees State Insurance Scheme	30.36
Employers Contribution to Labour Welfare Fund	0.61

b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2014 and recognized in the financial statement in respect of Employee Benefits Scheme:

(Rs. in Lacs)

Disclosure under AS 15 (Revised) Employee Benefits	Gratuity (Funded)
I) Change in defined benefits obligation as at 31st March, 2014	
a) Present value of the obligation as at the beginning of the year	483.39
b) Current Service Cost	46.90
c) Interest Cost	39.88
d) Benefit Paid	(50.91)
e) Actuarial (gain)/Loss on obligation	(10.48)
f) Present value of obligation as at the end of the year	508.78
II) Change in fair value of plan assets	
a) Present value of the plan assets at the beginning of the year	265.22
b) Expected return on plan Assets	23.07
c) Contribution	74.58
d) Benefit Paid	(50.91)
e) Actuarial gain/(loss) on plan assets	0.90
f) Present value of plan asset at the end of the year	312.87
g) Actual return on plan assets	23.98
III) Component of Employee Cost recognised in Profit & Loss Account	
a) Interest Cost	39.88
b) Current Service Cost	46.90
c) Expected return on plan Assets	(23.07)
d) Actuarial (gain)/loss	(11.38)
e) Expenses recognised in Profit and Loss Statement	52.32
IV) Reconciliation of Present value of obligation and fair value of Plan Assets	
a) Present value of obligation at the end of the year	508.78
b) Fair Value of Plan Assets at the end of the year	312.87
c) Difference	(195.92)
d) Amount recognised in the Balance Sheet	(195.92)
V) Actuarial Assumptions	(%)
a) Discount Rate	9.31%
b) Expected rate of return on assets	8.70%
c) Future salary escalation	5.00%
d) Attrition rate	2.00%

33. SEGMENT WISE REPORTING REVENUE, RESULT AND CAPITAL EMPLOYED

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
1. Segment - Revenue		
Diamond	2,06,491.40	1,93,578.02
Jewellery	35,955.02	33,361.57
Others	756.96	911.17
Total	2,43,203.38	2,27,850.76
Less: Inter Segment Revenue / Transfer	14,254.82	15,703.43
Net Sales / Revenue	2,28,948.56	2,12,147.33
2. Segment Results		
Profit/(Loss) before Tax and Interest from each segment		
Diamond	6,559.16	5,278.97
Jewellery	1,368.17	1,459.36
Others	199.20	362.60
Total	8,126.53	7,100.93
Less:		
Interest	2,244.14	2,035.12
Exceptional Item (Gain) / Loss	12.45	(151.69)
Other un - allocable expenses	-	-
Total Profit Before Tax	5,869.94	5,217.50
3. Capital Employed		
Diamond	35,209.25	31,786.74
Jewellery	6,016.16	4,645.25
Other	5,219.67	6,219.68
Unallocated Net Assets	-	-
Total Capital Employed	46,445.08	42,651.67

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.

SECONDARY SEGMENT

Details as per Geographic Region

(Rs. in Lacs)

Region	Region wise Sales & Services	Direct Segment Assets (Debtors)
1. Exports		
Asia	99,541.95	32,853.51
USA	23,785.95	11,019.84
Europe	31,979.28	4,768.40
Others	2,403.90	127.93
2. Local	71,113.73	15,804.46
Total	2,28,824.81	64,574.15

Segment Reporting and Related Information requires that an enterprise report a measure of total assets for each reportable segment. The fixed assets and inventories used in the company's business are not identifiable to any particular reportable segment and can be used interchangeably among geographical segments. Consequently, management believes that it is not practical to provide segment disclosures relating to total assets since a realistic analysis among the various geographic segments is not possible. Therefore, information has been restricted to direct debtors of each geographical segment.

34. EARNING PER SHARE:

PARTICULARS	2013-2014	2012-2013
Profit After Tax (Rs. in Lacs)	4,074.32	3,756.18
Number Of Equity Shares	1,60,06,800	1,60,06,800
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share(Basic) (Rs.)	25.45	23.47

(Rs. in Lacs)

SR. NO.	PARTICULARS	2013-2014	2012-2013
35	Value of imported and indigenous consumption - Raw Material		
	• Imported Raw material	1,26,230.30	90,963.48
		68.39%	48.96%
	• Indigenous Raw material	58,349.67	94,833.55
		31.61%	51.04%
	Total	1,84,579.97	1,85,797.03
36	Interest Charged to Profit & Loss account is net of Interest received	764.80	774.58
37	Value of Import on CIF Basis - Raw Materials	1,14,535.50	89,764.99
38	Expenditure in Foreign Currency		
	Foreign Traveling	9.37	12.42
	Consumables	5.34	143.25
	Repairs & Maintenance (Spare parts)	81.83	1.69
	Advertisement	7.24	-
39	Earning in Foreign exchanges FOB value of Exports	1,64,203.43	1,39,269.30
40	Gain / (Loss) on Exchange Fluctuation as recognised in statement of profit and loss (net)	(9,658.99)	11,318.65
41	Breakup of remuneration paid to Managing/ Wholetime Directors		
	a. Salary	279.25	186.00
	b. Contribution to Provident & other Fund	0.19	0.19
	The Company has been advised that the computation of net profit pursuant to section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to directors.		
42	Auditors Remuneration		
	Statutory Audit	5.06	5.04
	Certification Fees	0.56	0.56
	Others	0.94	0.55
	Total	6.56	6.15

43. 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 V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place : Mumbai
Dated : May 22, 2014

APARNA SHINDE
Company Secretary
Place : Mumbai
Dated : May 22, 2014

DINESH T. SHAH
Chairman & CFO
Place : Mumbai
Dated : May 22, 2014

VIPUL P. SHAH
CEO & Managing Director
Place : Mumbai
Dated : May 22, 2014

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY

A. Name of the Subsidiary Company	Asian Star Company Limited (New York)	Asian Star DMCC. (Dubai)	Asian Star Jewels Private Limited	Asian Star Trading (Hong Kong) Limited
B. Date from which it became subsidiary	September 27, 1996	February 20, 2008	December 16, 2008	May 02, 2011
C. Number of Shares held by Asian Star Company Limited with its nominee in the subsidiary as at 31/3/2014	5 Equity Shares of US \$100,000 each fully paid	200 Equity Shares of AED 1,000 each fully paid	10,00,000 Equity Shares of Rs.10 each fully paid	10,000 Equity Shares of HK \$100 each fully paid
D. Extent of interest of Holding Company in the subsidiary as at 31/03/2014	100%	100%	100%	100%
E. Net aggregate amount of profits/ (losses) of the Subsidiary Company as far as it concerns the members of the Company				
a. Dealt with in the Company's account				
I. for the financial year of the subsidiary	Nil	Nil	Nil	Nil
II. for the previous year of the subsidiary since it become the subsidiary of the Company	US \$ 100,000 (Rs. 60.10 lacs)	Nil	Nil	Nil
b. Not dealt with in the Company's account				
I. for the financial year of the subsidiary	US \$ 26,203 (Rs. 15.75 lacs)	US \$ 5,225,238 (Rs. 3,140.36 lacs)	Rs. 403.94 lacs	US \$ 67,310 (Rs. 40.45 lacs)
II. for the previous years of the subsidiary since it became the subsidiary of the Company	US \$ 1,56,038 (Rs. 93.78 lacs)	US \$ 6,880,662 (Rs. 4,135.26 lacs)	Rs. 696.67 lacs	US \$ 83,747 (Rs. 50.33 lacs)

Note: Converted at the rate of exchange US\$ 1= Rs. 60.0998 prevailing on 31/03/2014.

For and on behalf of the Board

DINESH T. SHAH
Chairman & CFO

VIPUL P. SHAH
CEO & Managing Director

Place : Mumbai
Dated : May 22, 2014

Place : Mumbai
Dated : May 22, 2014

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors of
Asian Star Company Limited

We have examined the accompanying consolidated financial statements of ASIAN STAR COMPANY LIMITED, (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the Financial Statements of the subsidiaries as noted below, the consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India,

- i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2014,
- ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date, and
- iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the Financial Statements of certain subsidiaries whose financial statements reflect total assets (net) of Rs. 34,714.63 lacs as at March 31, 2014, total revenues of Rs. 1,02,354.28 lacs and net cash flows of Rs. 2,361.98 lacs for the year ended on that date. These Financial Statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matter.

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo: 112787W

JINESH J. SHAH
Partner
Membership No: 111155

Place : Mumbai
Date : May 22, 2014

**ASIAN STAR COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014**

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1,600.68	1,600.68
Reserves and Surplus	2	53,355.66	45,570.02
		54,956.34	47,170.70
Non-Current Liabilities			
Long-Term Borrowings	3	5,818.05	4,391.30
Deferred Tax Liabilities (Net)	4	2,459.52	2,463.93
Long-Term Provisions	5	6,263.76	4,806.46
		14,541.33	11,661.69
Current Liabilities			
Short-Term Borrowings	6	94,394.46	77,822.77
Trade Payables	7	14,472.38	20,657.23
Other Current Liabilities	8	544.60	6,486.82
Short-Term Provisions	9	2,194.08	1,793.68
		1,11,605.52	1,06,760.50
TOTAL		1,81,103.19	1,65,592.89
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	17,424.22	15,475.98
Intangible Assets	10	13.21	-
Capital Work-In-Progress		1,686.63	1,729.12
		19,124.06	17,205.10
Long-term Loans and Advances	11	716.57	836.77
Other Non-Current Assets	12	6,514.22	3,611.91
		7,230.79	4,447.68
Current assets			
Current Investments	13	129.48	390.42
Inventories	14	45,182.83	55,819.36
Trade Receivables	15	74,729.72	65,149.12
Cash and Cash Equivalents	16	21,609.95	15,402.93
Short-Term Loans and Advances	17	13,096.36	7,178.28
		1,54,748.34	1,43,940.11
TOTAL		1,81,103.19	1,65,592.89
Significant Accounting Policies Notes on Financial Statements	1 to 34		

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place : Mumbai
Dated : May 22, 2014

APARNA SHINDE
Company Secretary
Place : Mumbai
Dated : May 22, 2014

DINESH T. SHAH
Chairman & CFO
Place : Mumbai
Dated : May 22, 2014

VIPUL P. SHAH
CEO & Managing Director
Place : Mumbai
Dated : May 22, 2014

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (Rs. in Lacs)

PARTICULARS	NOTE	2013-2014		2012-2013	
Revenue From Operations	18	3,25,018.90		2,46,221.41	
Other Income	19	188.32		154.77	
Total Revenue			3,25,207.22		2,46,376.18
EXPENSES:					
Cost of Materials Consumed	20	1,89,302.25		1,90,089.64	
Purchases of Stock-in-Trade		89,462.73		36,241.88	
Changes In Inventories Of Finished Goods, Work-In-Progress & Stock-in-Trade	21	6,588.74		(9,737.45)	
Employee Benefits Expense	22	3,415.65		2,938.56	
Finance Costs	23	2,560.32		2,209.78	
Depreciation and Amortization Expense		971.23		905.51	
Other Expenses	24	23,190.14		17,632.91	
Total Expenses			3,15,491.06		2,40,280.83
Profit Before Exceptional Items & Tax			9,716.16		6,095.35
Exceptional Items Income/(Loss)	25		(12.45)		151.69
Profit Before Tax			9,703.71		6,247.04
Tax expense					
Current Tax			1,911.35		1,509.34
Deferred Tax			(4.41)		(38.88)
Profit After Tax			7,796.77		4,776.58
Earnings Per Equity Share:					
Basic and Diluted (In Rs.)			48.71		29.84
Significant Accounting Policies					
Notes on Financial Statements	1 to 34				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place : Mumbai
Dated : May 22, 2014

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Dated : May 22, 2014

VIPUL P. SHAH
CEO & Managing Director
Place : Mumbai
Dated : May 22, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	9,703.71	6,247.04
Adjustment for		
Depreciation	971.22	905.51
Preliminary Expenses	0.19	0.24
Finance Costs	2,560.31	2,209.78
Unrealised Foreign Exchange (Gain) / Loss	356.39	358.88
Dividend Received	(5.43)	(2.13)
(Profit)/Loss on Sale of Fixed Assets	12.45	(151.69)
(Profit)/Loss on Sale of Investment	(104.99)	(49.90)
Diminution in value of Investment written off / (written back)	-	(54.52)
Wealth Tax	1.15	1.41
Operating Profit Before Working Capital Changes	13,495.00	9,464.62
Adjustment for		
Receivables	(10,340.57)	(5,183.49)
Inventories	10,636.54	(10,555.37)
Loans & Advances	(6,689.43)	3,236.18
Current Liabilities	(12,161.88)	(700.85)
Cash generated from / (used in) Operations	(5,060.34)	(3,738.91)
Taxation	(2,012.09)	(2,592.03)
Net cash from / (used in) Operating Activities	(7,072.43)	(6,330.94)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (Includes Capital Work in Progress)	(3,020.45)	(2,487.48)
Sale of Fixed Assets	116.87	187.04
Purchase / Increase of Investments	(3.26)	(296.77)
Dividend Received	5.43	2.13
Sale/Decrease of Investments	369.18	99.90
Net Cash from / (used in) Investing Activities	(2,532.23)	(2,495.18)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	1,426.75	(1,093.22)
Short Term Borrowings	16,956.38	17,192.13
Finance Costs	(2,560.31)	(2,209.78)
Dividend Paid	(240.10)	(240.10)
Tax on Dividend	(40.81)	(38.95)
Net cash from / (used in) Financing Activities	15,541.91	13,610.08
Increase / (Decrease) in Translation of Consolidation	269.77	206.12
Net Increase / (Decrease) in Cash & Cash Equivalents	6,207.02	4,990.08
Cash & Cash Equivalents as at 1st April (Opening)	15,402.93	10,412.85
Cash & Cash Equivalents as at 31st March (Closing)	21,609.95	15,402.93

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place : Mumbai
Dated : May 22, 2014

APARNA SHINDE
Company Secretary
Place : Mumbai
Dated : May 22, 2014

DINESH T. SHAH
Chairman & CFO
Place : Mumbai
Dated : May 22, 2014

VIPUL P. SHAH
CEO & Managing Director
Place : Mumbai
Dated : May 22, 2014

SIGNIFICANT ACCOUNTING POLICIES

A. Basis for Preparation of Financial Statements

The financial statements have been prepared using mercantile system of accounting under the historical cost convention. It recognizes significant items of income and expenditure on accrual basis. The accounts have been prepared to comply in all material aspects with applicable accounting principles in India and the provisions of the Companies Act, 1956.

B. Sales

Income from the sale of diamond / jewellery is recognised when the sale has been completed with the passing of the title. Income from sale of wind energy is recognised on its transmission and delivery. Sales includes sale of goods and services and gain/loss on exchange fluctuations.

C. Other Income

Interest

Interest income is recognised on accrual basis.

Income from Investments

Income from investment is accounted in the year in which the unconditional right to receive such income is established.

D. Depreciation

Depreciation on fixed assets has been provided at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 on straight line basis. Depreciation of Asian Star Co. Ltd., New York and Asian Star DMCC, Dubai has been provided on Straight Line Basis.

E. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An Impairment loss is charged to the profit and loss account in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F. Foreign Currency Transactions

- F.1 Transactions denominated in foreign currencies are normally recorded at the Exchange rate prevailing at the time of the transaction.
- F.2 Monetary items denominated in foreign currencies at the year-end are translated at year-end exchange rate.
- F.3 The company enters into forward / option contracts for hedging purpose. In case of forward contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference. The proportionate difference between the forward rate and the exchange rate on the date of transaction is recognised over the life of the contract. In case of option contracts, the premium paid and gain / loss are recognised as exchange difference on the date of settlement of the contract. Mark to market loss, if any, is recognised as exchange difference at the year end.
- F.4 Non monetary foreign currency items are carried at cost.
- F.5 Any income or expense on account of exchange difference either on settlement or on translation is adjusted to the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

G. Fixed Assets

Cost of Fixed Assets comprises of purchase price, duties, levies and any cost directly attributable to bringing the asset to its working condition for the intended use. Fixed Assets are stated at cost less accumulated depreciation.

H. Capital Work in Progress

Capital work in progress comprises of cost of acquisition of assets, duties, levies and any cost directly attributable to bringing the asset to its working condition for the intended use. Expenditure incurred on project under implementation is treated as incidental expenditure incurred during construction period and is pending allocation to the assets which will be allocated / apportioned on completion of the project.

I. Borrowing Costs

All borrowing costs, which are of revenue nature, are charged to Profit and Loss Account.

J. Investment

- J.1 Long term investments are valued at cost. Provision for diminution in value is made only if such diminution is otherwise than temporary in the opinion of the management.
- J.2 Current Investments -Quoted are valued at cost or market value, whichever is lower.

K. Inventories

- K.1 Stock of raw materials is stated at 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.
- K.2 Work in Process and Finished goods are valued at technically evaluated cost or estimated net realizable value, whichever is lower. Cost includes cost of material and related conversion cost. In view of the nature of variation in the values of individual diamonds and the differential in their processing costs, it is not practicable to compute the cost of polished diamonds using either FIFO or weighted average cost. In view of the numerous grades, it is not practicable to use specific costs. The method of valuation is therefore in compliance with "AS2" issued by the Institute of Chartered Accountants of India to the extent practicable.
- K.3 Consumables are valued at average cost.

L. Employee Benefits

L1. Short term Employee benefit

Short term employee benefits are recognised in the period during which the service has been rendered.

L2. Long Term Employee Benefit

- a) Provident Fund Act, Family Pension Fund & Employees State Insurance Scheme.

As per Provident Fund Act, 1952 all employees of the Asian Star Company Ltd. & Asian Star Jewels Private Limited 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 recognised as expense in Profit and Loss account during the period in which the employee renders the related services. These companies has no further obligation under these plan beyond its monthly contributions.

- b) Asian Star Company Ltd. provides for gratuity obligation through a Defined Benefit Retirement Plan ('The Gratuity Plan') covering it's employees. The present value of the obligation under such Defined plan is determined based on actuarial valuation. Actuarial gains and losses are recognized in Profit & Loss Account as and when determined. The company makes annual contribution to LIC for the Gratuity plan in respect of employees.

M. Taxation

Current Tax is determined as the amount of tax payable in respect of taxable income for the year after considering various relief admissible under provisions of the Income Tax Act, 1961. The deferred tax for timing difference between the book and tax profit for the year is accounted for using tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax asset arising from timing difference are recognised to the extent that there is virtual certainty that sufficient future taxable income will be available.

N. 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.

O. Provisions, Contingent Liabilities and Contingent Assets

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

- P. (i) In order to comply with Accounting Standard 21 issued by Institute of Chartered Accountants of India, the Company has prepared the accompanying consolidated financial statements, which include the financial statements of the Company along with its subsidiaries. Details of subsidiaries are as under:

Name of Subsidiary	Country of Incorporation	Percentage of ownership (Previous Year)
1) Asian Star Company Ltd.	USA	100 (100)
2) Asian Star DMCC	UAE	100 (100)
3) Asian Star Jewels Pvt.Ltd	India	100 (100)
4) Asian Star Trading (Hong Kong) Ltd.	Hong Kong	100 (100)

- (ii) The consolidated financial statements of the group have been based on a line by line consolidation of Profit & Loss Account 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs. 10 each	2,500.00	2,500.00
4,00,00,000 (4,00,00,000) Redeemable Cumulative Preference Shares of Rs. 10 each	4,000.00	4,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each (53,35,600 shares of the issued, subscribed and paid up share capital were allotted as bonus shares during the F.Y. 2012-13 by capitalisation of Capital Redemption Reserve)	1,600.68	1,600.68
Total	1,600.68	1,600.68

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

NAME OF THE SHAREHOLDERS	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
	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	12,00,000	7.50
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
Total	1,19,50,000	74.66	1,20,00,000	74.98

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

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Equity shares at the beginning of the year	1,60,06,800	1,06,71,200
Add: Shares issued as bonus shares	-	53,35,600
Equity shares at the end of the year	1,60,06,800	1,60,06,800

2. RESERVES & SURPLUS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Capital Reserves		
As per Last Balance Sheet	294.50	294.50
Capital Redemption Reserve		
As per Last Balance Sheet	1,986.44	2,520.00
Less: Utilised for Bonus issue of Equity shares	-	533.56
	1,986.44	1,986.44
General Reserves		
As per Last Balance Sheet	13,013.37	12,813.37
Add : Transferred from Profit and Loss Account	200.00	200.00
	13,213.37	13,013.37
Surplus Account		
As per last Balance Sheet	30,030.94	25,828.28
Add: Profit for the Year	7,796.77	4,776.58
	37,827.71	30,604.86
Less: Appropriations		
Transferred to General Reserve	200.00	200.00
Proposed Dividend on Equity Shares (Dividend per Share Rs. 1.50/-) (Previous Year Dividend per Share Rs. 1.50/-)	240.10	240.10
Tax on Dividend Proposed	40.81	40.81
Dividend on Equity Shares (Bonus issue) paid during the year	-	80.03
Tax on Dividend (bonus issue) paid during the year	-	12.98
	480.91	573.92
	37,346.80	30,030.94
Translation Reserve	514.55	244.77
Total	53,355.66	45,570.02

3. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Unsecured Loans		
Loan from Related Party- Directors	5,818.05	4,391.30
Total	5,818.05	4,391.30

4. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Deferred Tax Liability on account of:		
Depreciation	A 2,533.02	2,544.65
Deferred Tax Asset on account of:		
Provision for diminution in market value of Current Investments	0.99	0.99
Provision for Doubtful Debts	7.77	7.77
Gratuity Liability	64.74	71.96
	B 73.50	80.72
Deferred Tax Liability - Net	A-B 2,459.52	2,463.93

5. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Provision for Employee Benefits		
Provision for Gratuity (unfunded)	195.92	218.17
Others		
Taxation	6,067.84	4,588.29
Total	6,263.76	4,806.46

6. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Secured Loans		
Working Capital Loan from Banks	85,109.00	77,568.06
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Hypothecation of Premises at Mumbai & Dubai		
d. Guaranteed by some of the Directors in their personal capacity		
	A 85,109.00	77,568.06
Unsecured Loans		
Loan from Others	9,285.46	254.71
	B 9,285.46	254.71
Total	A+B 94,394.46	77,822.77

7. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Creditors for Goods	12,688.71	15,977.72
Creditors for Processing	1,783.67	4,679.51
Total	14,472.38	20,657.23

8. OTHER CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Unclaimed Dividend	0.24	0.34
Other Payables *	544.36	6,486.48
Total	544.60	6,486.82

* Includes statutory dues and payable for expenses / services

9. SHORT TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Leave Encashment (funded)	11.06	7.37
Proposed Dividend	240.10	240.10
Tax On Dividend	40.81	40.81
Provision for Taxation	1,902.11	1,505.40
Total	2,194.08	1,793.68

10. FIXED ASSETS

(Rs. in Lacs)

Description of Assets	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK			
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	For the Year	Deductions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
Land	774.81	-	-	774.81	-	-	-	-	774.81	774.81
Office Premises	3,555.78	-	79.27	3,476.51	533.32	85.56	19.51	599.37	2,877.14	3,022.45
Factory Premises	1,452.32	780.54	-	2,232.86	235.52	43.53	-	279.05	1,953.81	1,216.80
Plant & Machinery	11,453.92	1,252.42	-	12,706.34	2,971.33	593.85	-	3,565.18	9,141.16	8,482.59
Vehicles	421.53	206.73	7.93	620.33	159.44	45.45	5.98	198.91	421.42	262.09
Furniture & Fixtures	906.38	351.90	40.93	1,217.35	331.92	88.02	31.10	388.84	828.51	574.45
Office Equipments	1,449.32	387.68	97.02	1,739.98	423.33	71.76	35.55	459.54	1,280.44	1,025.98
Computer	451.35	68.47	-	519.82	334.55	42.02	3.68	372.89	146.93	116.80
Intangible Assets										
Computer Software	-	14.25	-	14.25	-	1.04	-	1.04	13.21	-
CURRENT YEAR	20,465.41	3,061.99	225.15	23,302.25	4,989.41	971.23	95.82	5,864.82	17,437.43	15,475.98
PREVIOUS YEAR	19,551.28	990.21	76.08	20,465.41	4,124.64	905.51	40.72	4,989.43	15,475.98	15,426.64

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

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Capital Advances	460.00	597.38
Security Deposits	256.57	239.39
Total	716.57	836.77

12. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Advance Tax	6,468.95	3,554.92
Deposits With Others	44.52	56.05
Preliminary Expenditure	0.75	0.94
Total	6,514.22	3,611.91

13. CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Investments in Equity		
Quoted, fully paid up		
Classic Diamonds (India) Ltd. 5,000 (5,000) Shares of Rs. 2 each	4.69	4.69
Flawless Diamond (India) Ltd. 100 (100) Shares of Rs. 1 each	0.01	0.01
Gitanjali Gems Ltd. 1,000 (1,000) Shares of Rs. 10 each	2.20	2.20
Golddiam International Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.97	0.97
Golkunda Diamond & Jewellery Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Parekh Platinum Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Rajesh Exports Ltd. 600 (600) Shares of Rs. 1 each	0.52	0.52
S.B. & T International Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shantivijay Jewels Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shrenuj & Co. Ltd. 1,000 (1,000) Shares of Rs. 2 each	0.45	0.45
Windsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.56	0.56
Vaibhav Global Ltd. 10 (10) Shares of Rs. 10 each	0.03	0.03
Zodia JRD MKJ Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Va-Tech Wabag Ltd. Nil (565) Shares of Rs. 2 each	-	2.95
P.C. Jewellers Ltd. Nil (1,104) Shares of Rs. 10 each	-	1.49
Tribhovandas Bhimji Zaveri Ltd. 100,000 (264,064) Shares of Rs. 10 each	120.00	295.28
A	129.48	309.22
Investments in Mutual Fund		
Quoted, fully paid up		
JM Basic Fund - Growth Option Nil (44,992) units of Rs. 10 each	-	6.20
JM Basic Fund - Dividend Option Nil (84,555) units of Rs. 10 each	-	25.00
Reliance Diversified Power Sector Fund Nil (47,975) units of Rs. 10 each	-	25.00
Reliance Vision Fund Nil (39,708) units of Rs. 10 each	-	25.00
B	-	81.20
	129.48	390.42
Less:		
Adjustment to carrying amount of Investments	-	-
Total A+B	129.48	390.42
Aggregate amount of quoted investments	129.48	390.42
Market Value of quoted investments	133.52	610.67
Basis of Valuation - at cost or market value whichever is lower		

14. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Raw Materials	20,744.88	24,806.04
Work-in-Progress	2,833.91	2,562.70
Finished Goods & Stock-in-Trade	21,568.58	28,428.53
Consumables	35.46	22.09
(As verified, valued and certified by a Director)		
Total	45,182.83	55,819.36

15. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
Unsecured				
Over six months from due date				
Considered Good	1,493.34		517.66	
Considered Doubtful	-		-	
	1,493.34		517.66	
Less: Provision for Doubtful Debts	-		-	
		1,493.34		517.66
Others				
Considered Good		73,236.38		64,631.46
Total		74,729.72		65,149.12

16. CASH AND BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Balances with Banks	11,641.93	7,101.40
Fixed Deposits with Banks	9,332.33	8,276.03
Cash on hand	35.69	25.50
Cheque/Demand Draft in hand	600.00	-
Total	21,609.95	15,402.93

- Balance with banks include unclaimed dividend of Rs. 0.24 lacs (Previous Year Rs. 0.33 lacs), and unclaimed fractional entitlement Rs. 0.17 lacs (Previous Year Rs. Nil).
- Fixed Deposits with banks include deposits of Rs. 1135.90 lacs (Previous Year Rs. 345.33 lacs) with maturity of more than 12 months.
- Fixed Deposits with banks includes deposits of Rs. 529.05 lacs (Previous Year Rs. 488.88 lacs) kept under lien with the bank as security for bank facilities obtained by a subsidiary company.

17. SHORT TERM LOANS AND ADVANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
Advance Tax	1,942.37	2,675.76
LOANS & ADVANCES OTHERS *		
Unsecured, considered good	11,153.99	4,502.52
Total	13,096.36	7,178.28

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

18. REVENUE FROM OPERATIONS

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Sale of Products	3,24,972.65	2,46,117.69
Sale of Services	46.25	103.72
Total	3,25,018.90	2,46,221.41

18.1 PARTICULARS OF THE SALE OF PRODUCTS

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Diamond	2,76,781.84	2,02,189.16
Jewellery	47,557.60	43,126.39
Power- Windmill	633.20	802.14
Total	3,24,972.65	2,46,117.69

19. OTHER INCOME

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Interest Income	33.47	8.18
Dividend Income	5.43	2.13
Net gain / (loss) on Sale of Investments	104.99	49.90
Provision for Diminution in Value of Investment Written back	-	54.52
Miscellaneous Receipts	44.44	40.04
Total	188.32	154.77

20. COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2013-2014		2012-2013	
Stock at the Commencement	24,806.04		23,988.14	
Purchases during the year	1,85,241.09		1,90,907.54	
	2,10,047.13		2,14,895.68	
Less: Stock at the Close	20,744.88		24,806.04	
Total		1,89,302.25		1,90,089.64

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

(Rs. in Lacs)

PARTICULARS	2013-2014		2012-2013	
Variation in Stock of Work In Progress				
Stock at the Commencement	2,562.70		2,258.48	
Less: Stock at the Close	2,833.91		2,562.70	
	A	(271.21)		(304.22)
Variation in Stock of Finished Goods				
Stock at the Commencement	26,127.32		18,870.80	
Less: Stock at the Close	15,694.65		26,127.32	
	B	10,432.67		(7,256.52)
Variation in Stock-in-Trade				
Stock at the Commencement	2,301.21		124.50	
Less: Stock at the Close	5,873.93		2,301.21	
	C	(3,572.72)		(2,176.71)
Total	A+B+C	6,588.74		(9,737.45)

22. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Salary & Bonus	2,226.61	2,084.62
Director's Remuneration	279.25	186.00
Wages	577.25	297.54
Gratuity	57.74	103.70
Ex Gratia & Leave Encashment	60.52	51.05
Labour Welfare Fund Expenses	0.61	2.32
Contribution to Provident Fund	109.18	98.88
Group Insurance	30.30	59.71
Contribution to E.S.I.C.	35.93	32.01
Staff Welfare Expenses	38.26	22.72
Total	3,415.65	2,938.56

23. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Interest Expense	2,285.26	1,950.57
Other Borrowing Costs	275.06	259.21
Total	2,560.32	2,209.78

24. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
Manufacturing Expenses		
Processing Expenses	18,317.02	13,609.92
Electricity, Power & Fuel	417.28	412.21
Consumables	295.52	365.16
Factory Expenses	125.41	49.91
	19,155.23	14,437.20
Administrative / Selling & Distribution Expenses		
Bank Commission & Charges	245.91	168.90
Electrical Charges	121.80	146.20
Telephone, Internet and Fax Charges	87.64	75.08
Local Travelling and Conveyance	67.73	72.15
Legal & Professional fees	190.74	177.26
Audit Fees	10.31	6.17
Printing & Stationery	49.16	43.44
Repairs & Maintenance (Other)	92.66	85.03
Repairs & Maintenance (Building)	2.75	1.17
Repairs & Maintenance (Plant & Machinery)	194.50	76.71
Repairs & Maintenance (Windmill)	180.26	171.82
Postage and Courier	58.95	41.89
Motor Car Expenses	52.35	35.96
Bad Debts	49.20	-
Insurance Premium	269.27	239.00
Rent & Compensation	245.11	200.39
Donation	88.61	48.15
Stamp duty on Bonus shares	-	22.03
Office Canteen Expenses	99.57	91.93
Office Expenses	19.29	22.74
Director's Sitting Fees	1.83	1.67
Sundry Expenses	148.51	76.12
Security Charges	72.31	70.93
Registration & Filing Charges	1.94	9.45
Wealth Tax	1.15	1.41
Membership and Subscription	13.82	15.62
Preliminary exp written off	0.19	0.24
Prior Year Expenses	1.13	-
Exchange (Gain)/Loss on Translation	195.27	152.20
Advertisement	57.83	65.37
Sales Expenses	169.31	125.55
Entertainment Expenses	32.17	35.52
Foreign Travelling	203.17	141.87
Commission on Sales	207.69	210.18
Re-Assortment Charges	28.96	26.25
Freight & Clearing Charges	254.44	173.56
Agency Charges	19.30	17.79
E.C.G.C. Premium	160.37	129.28
Diamond Grading Charges	305.87	188.44
Diamond Scanning Charges	0.55	-
Packing Expenses	33.29	28.24
	4,034.91	3,195.71
Total	23,190.14	17,632.91

25. EXCEPTIONAL ITEMS INCOME / (LOSS)

(Rs. in lacs)

PARTICULARS	2013-2014	2012-2013
Net gain/(loss) on sale of Assets	(12.45)	151.69
Total	(12.45)	151.69

26. Surplus / (Deficit) on account of exchange difference on outstanding forward exchange contracts to be recognised in profit and loss account of subsequent accounting period aggregate to Rs. 1,050.35 lacs. (For F.Y. 2012-13 it was Rs. 493.85 lacs).

27. Derivatives Instrument:

- a) Derivative contracts entered into and outstanding as on 31st March, 2014.
- i) For hedging currency related risk:
Forward / option contracts (net) for sales entered into and outstanding as on 31st March, 2014 amount to Rs. 1,627.63 crores (for F.Y.2012-13 forward / option contracts (net) for purchases was Rs. 1,147.88 crores)
- ii) For Hedging commodity related risk:
Forward contracts for Gold and silver entered into by the company and outstanding as on 31st March, 2014 covers 5 Kgs and 270 kgs respectively. (for F.Y.2012-13 it was 82 Kgs and Nil kgs respectively).
- b) Foreign currency exposure (net) for purchases that are not hedged by the derivative instruments as on 31st March, 2014, amount to Rs. 278.07 crores (for F.Y.2012-13 it was Rs. 9.91 crores).

28. 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	AS AT
		MARCH 31, 2014	MARCH 31, 2013
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	-	-

29. During the year, Company has recognised the following amounts in the financial statements.

a) Defined Contribution Plan

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

(Rs. in Lacs)

PARTICULARS	Amount
Employers Contribution to Provident Fund & Family Pension Fund	109.07
Employers Contribution to Employees State Insurance Scheme	35.93
Employers Contribution to Labour Welfare Fund	0.72

b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2014 and recognized in the financial statement in respect of Employee Benefits Scheme (excluding Asian Star Jewels Private Limited):

(Rs. in Lacs)

DISCLOSURE UNDER AS 15 (REVISED) EMPLOYEE BENEFITS:	GRATUITY (FUNDED)
I) Change in defined benefits obligation as at 31st March, 2014	
a) Present value of the obligation as beginning of the year	483.39
b) Current Service Cost	46.90
c) Interest Cost	39.88
d) Benefit Paid	(50.91)
e) Actuarial (Gain) / Loss on obligation	(10.48)
f) Present value of obligation as at end of the year	508.78
II) Change in fair value of plan assets	
a) Present value of the plan assets at the beginning of the year	265.22
b) Expected return on plan Assets	23.07
c) Contribution	74.58
d) Benefit Paid	(50.91)
e) Actuarial gain/(loss) on plan assets	0.91
f) Present value of plan asset at the end of the year	312.87
g) Actual return on plan assets	23.98
III) Component of Employee Cost recognized in Profit & Loss A/c	
a) Interest Cost	39.88
b) Current Service Cost	46.90
c) Expected return on plan Assets	(23.07)
d) Actuarial (gain) / loss	(11.38)
e) Expenses recognized in Profit & Loss A/c	52.32
IV) Reconciliation of Present value of obligation and fair value of Plan assets	
a) Present value of obligation at the end of the year	508.78
b) Fair Value of Plan Assets at the end of the year	312.87
c) Difference	(195.91)
d) Amount Recognized in the Balance Sheet	(195.91)
V) Actuarial Assumptions	
a) Discount Rate	9.31 %
b) Expected rate of return on assets	8.70 %
c) Future salary escalation	5.00 %
d) Attrition rate	2.00 %

30. Gain/(loss) on exchange fluctuation as recognized in statement of profit and loss (net) for F.Y. 2013-14 is Rs. (9,610.29 Lacs)
(for F.Y. 2012-13 it was Rs. 11,289.27 Lacs).

31. Related Party Disclosure for the year ended 31st March, 2014:

i) List of Related Parties and Relationships:

(A) Particulars of Enterprises controlled by the Company	Relationship
Name of Related Party Asian Star Co. Ltd. (U.S.A.) Asian Star DMCC Asian Star Jewels Pvt. Ltd. Asian Star Trading (Hong kong) Ltd.	Subsidiary Subsidiary Subsidiary Subsidiary
(B) Particulars of Key Management Personnel	Relationship
Name of Related Party Dinesh T. Shah Vipul P. Shah Dharmesh D. Shah Arvind T. Shah Priyanshu A. Shah Rahil V. Shah	Chairman & CFO CEO & Managing Director Director Executive Director Executive Director 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 Shah Enterprises	
(D) Particulars of Relatives of Key Management Personnel where there are transactions.	
Sujata V. Shah	

ii) Transactions during the year with Related Parties:

(Rs. In Lacs)

Particulars	Name of the Party	Volume 2013-2014	Amount Outstanding as on 31.03.2014
Sale of Polished Diamonds	Asian Star Co. Ltd. (USA)	13,039.68	5,853.66
	Asian Star Jewels Pvt. Ltd.	4,572.01	1,324.40
	Jewel Art (Unit-II)	12.32	Nil
Purchase of Polished Diamonds	Asian Star Co. Ltd. (USA)	194.16	Nil
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	Nil	178.75
	Asian Star Trading (Hong kong) Ltd.	Nil	57.40
	Asian Star DMCC	Nil	12.01
	Asian Star Jewels Pvt. Ltd.	Nil	100.00
Loan Given to Subsidiary (Net)	Asian Star Jewels Pvt. Ltd.	219.00	790.41
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	4.48	Nil
	Asian Star Jewels Pvt. Ltd.	6.72	Nil
Directors' Remuneration	Arvind T. Shah	75.00	Nil
	Dharmesh D. Shah	75.00	Nil
	Vipul P. Shah	75.00	Nil
	Priyanshu A. Shah	48.00	Nil
	Rahil V. Shah	6.25	Nil
Rent Paid	Arvind T. Shah	96.00	Nil
	Dharmesh D. Shah	72.00	Nil
	Vipul P. Shah	96.00	Nil
	Dinesh T. Shah	96.00	Nil
Deposits given for Office Premises	Arvind T. Shah	Nil	30.00
	Dharmesh D. Shah	Nil	20.00
	Vipul P. Shah	Nil	30.00
	Dinesh T. Shah	Nil	30.00
Unsecured Loans Taken (Net)	Arvind T. Shah	14.00	31.05
	Dharmesh D. Shah	593.00	1,413.00
	Vipul P. Shah	725.00	3,125.00
	Priyanshu A. Shah	224.00	984.00
	Dinesh T. Shah	75.00	265.00
Contract for Processing of Diamonds	Shah Manufacturers	2,504.74	(48.84)
Sale of Jewellery	Sujata V. Shah	14.48	Nil

32. SEGMENT REPORTING

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
1. Segment - Revenue		
Diamond	2,91,036.66	2,17,892.59
Jewellery	47,603.85	43,230.11
Others	821.53	956.91
Total	3,39,462.04	2,62,079.61
Less: Inter Segment Revenue/ Transfer	14,254.82	15,703.43
Net Sales / Revenue	3,25,207.22	2,46,376.18
2. Segment Results		
Profit/(Loss) before Tax and Interest from each segment		
Diamond	9,932.87	6,013.38
Jewellery	2,079.83	1,883.41
Others	263.77	408.34
Total	12,276.47	8,305.13
Less:		
Finance Cost	2,560.31	2,209.78
Exceptional Item (Gain) / Loss	12.45	(151.69)
Other un - allocable expenses	-	-
Total Profit before Tax	9,703.71	6,247.04
3. Capital Employed		
Diamond	42,868.06	35,857.32
Jewellery	7,216.77	5,441.86
Others	4,871.51	5,871.52
Total Capital Employed	54,956.34	47,170.70

- (a) As per Accounting Standard on Segment Reporting (AS-17), 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.

33. FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

	Asian Star Co. Ltd. N.Y.		Asian Star DMCC		Asian Star Trading (Hong Kong) Ltd.		Asian Star Jewels Pvt. Ltd.
Reporting Currency	USD		USD		USD		Rs.
	USD (in lacs)	Rs. (in lacs)	USD (in lacs)	Rs. (in lacs)	USD (in lacs)	Rs. (in lacs)	Rs. (in lacs)
Capital	5.00	300.50	0.54	32.75	1.28	77.05	100.00
Reserves	1.82	109.14	120.82	7,048.57	1.51	90.78	1,100.61
Total Assets	110.89	6,663.93	368.50	21,933.98	101.78	6,116.72	6,880.74
Total Liabilities	110.89	6,663.93	368.50	21,933.98	101.78	6,116.72	6,880.74
Investments	-	-	-	-	-	-	-
Turnover/Total Income	270.55	16,486.08	1,372.23	83,618.13	35.87	2,185.53	11,648.86
Profit Before Taxation	0.31	18.63	52.25	3,184.05	0.79	48.06	505.55
Provision for Taxation	0.04	2.67	-	-	0.12	7.04	101.61
Profit After Taxation	0.26	15.96	52.25	3,184.05	0.67	41.02	403.94
Proposed Dividend	-	-	-	-	-	-	-
Country	U.S.A		U.A.E		Hong Kong		India

34. 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 V. A. PARIKH & ASSOCIATES
Chartered Accountants
FRNo : 112787W

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place: Mumbai
Dated: May 22, 2014

APARNA SHINDE
Company Secretary
Place: Mumbai
Dated: May 22, 2014

DINESH T. SHAH
Chairman & CFO
Place: Mumbai
Dated: May 22, 2014

VIPUL P. SHAH
CEO & Managing Director
Place: Mumbai
Dated: May 22, 2014

CORPORATE INFORMATION**Board of Directors**

Dinesh T. Shah
Chairman & CFO

Vipul P. Shah
CEO & Managing Director

Arvind T. Shah
Executive Director

Priyanshu A. Shah
Executive Director

Rahil V. Shah
Executive Director

Dharmesh D. Shah
Director

K. Mohanram Pai
Director

Apurva R. Shah
Director

Hasmukh B. Gandhi
Director

Milind H. Gandhi
Director

Bhupendra K. Shroff
Director

Miyar R. Nayak
Director

Company Secretary

Aparna Shinde

Auditors

V.A. Parikh & Associates
Chartered Accountants

Registrar & Transfer Agents

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E), Mumbai - 400 072.
Tel: 4043 0200 Fax: 2847 5207.
Email: info@bigshareonline.com

Bankers

Allahabad Bank

Axis Bank

Andhra Bank

Bank of India

Bank of Baroda

Bank of Maharashtra

Canara Bank

Central Bank of India

Corporation Bank

HDFC Bank

ING Vysya Bank Ltd.

Syndicate Bank

State Bank of Patiala

Standard Chartered Bank

State Bank of Hyderabad

State Bank of Travancore

Registered Office

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

Subsidiary Companies

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

Asian Star DMCC
Dubai, U.A.E.

Asian Star Jewels Private Limited
Mumbai, India.

Asian Star Trading (Hong Kong) Limited
Hong Kong

NOTES

