



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 22811371, **Fax:** +91 22 22043747

NOTICE

Notice is hereby given that the Twenty-Second Annual General Meeting of the members of Asian Star Company Limited will be held on Tuesday, September 27, 2016 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, 2016 and the Balance Sheet as at that date with the Report of the Directors and that of the Auditors thereon.
2. To declare dividend on the equity shares for the financial year ended March 31, 2016.
3. To appoint a Directors in place of Mr. Dharmesh D. Shah, (DIN: 00004704), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Dinesh T. Shah, (DIN: 00004685) 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 pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. V A Parikh & Associates LLP, Chartered Accountants (FR. number-112787W/W1000073), who have offered themselves for re appointment and have confirmed their eligibility to be appointed as Auditors, be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Audit committee/ Board of Directors in consultation with the Auditors.”

SPECIAL BUSINESS:

6. 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 Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) the consent of the Members be and is hereby accorded to re-appoint Mr. Vipul P. Shah (DIN: 00004746) as Managing Director & CEO of the Company for a term of 5 (Five) years with effect from January 1, 2016, on the terms and conditions as under:

- a) Period of appointment: From January 1, 2016 to December 31, 2020.
- b) Salary: Rs. 1, 75,00,000/- (Rupees One Crore Seventy Five Lacs Only) per annum w.e.f. April 1, 2016.
- c) Perquisites and benefits as per Schedule V of the Act.
- d) Powers and duties as per the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT the remuneration paid to Mr. Vipul P. Shah for the period from January 1, 2016 to March 31, 2016 was as per terms and conditions approved by the members at the Annual General Meeting held on September 12, 2014.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Vipul P. Shah shall be governed by Section II of Part II of Schedule V of the Act and rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT the remuneration payable to Mr. Vipul P. Shah, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board of Directors / Nomination and Remuneration Committee be and is hereby authorized to vary or modify the above terms including salary, from time to time, during the term of his appointment, without any further reference to the Company in General Meeting, provided however that such variation is within the limits fixed aforesaid.”

7. 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 Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) the consent of the Members be and is hereby accorded to re-appoint Mr. Arvind T. Shah (DIN: 00004720) as an Executive Director of the Company for a term of 5 (Five) years with effect from January 1, 2016, on the terms and conditions as under:

- a) Period of appointment: From January 1, 2016 to December 31, 2020.
- b) Salary: Rs. 1,25,00,000/- (Rupees One Crore Twenty Five Lacs only) per annum.
- c) Perquisites and benefits as per Schedule V of the Act.
- d) Powers and duties as per the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Arvind T. Shah shall be governed by Section II of Part II of Schedule V of the Act and rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board / Nomination and Remuneration Committee be and is hereby authorised to do all such acts, deeds, matters and things including the power to settle all questions or difficulties that may arise with regard to the said appointment as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.”

8. 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 Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), the consent of the Members be and is hereby accorded to re-appoint Mr. Priyanshu A. Shah (DIN: 00004759) as an Executive Director of the Company for a term of 5 (Five) years with effect from January 1, 2016, on the terms and conditions as under:

- a) Period of appointment: From January 1, 2016 to December 31, 2020.
- b) Salary: Rs. 1,00,00,000/- (Rupees One Crore Only) per annum w.e.f. April 1, 2016.
- c) Perquisites and benefits as per Schedule V of the Act.
- d) Powers and duties as per the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT the remuneration paid to Mr. Priyanshu A. Shah for the period from January 1, 2016 to March 31, 2016 was as per terms and conditions approved by the members at the Annual General Meeting held on September 12, 2014.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Priyanshu A. Shah shall be governed by Section II of Part II of Schedule V of the Act and rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board / Nomination and Remuneration Committee be and is hereby authorised to do all such acts, deeds, matters and things including the power to settle all questions or difficulties that may arise with regard to the said appointment as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.”

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

“RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting of the company held on September 12, 2014 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 be and is hereby accorded to the revision in the remuneration payable to Mr. Rahil V. Shah (DIN: 06811700), Executive Director of the company for the remaining term of his tenure as the Executive Director, with effect from April 1, 2016 on the following terms :

- a) Salary: Rs 75,00,000/- (Rupees Seventy Five Lacs Only) per annum w.e.f. April 1, 2016.
- 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 in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Rahil V. Shah shall be governed by Section II of Part II of Schedule V of the Act and rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board / Nomination and Remuneration Committee be and is hereby authorised to do all such acts, deeds, matters and things including the power to settle all questions or difficulties that may arise with regard to the said appointment as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.”

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

“RESOLVED THAT approval of the Members of the Company be and is hereby accorded to enter into agreement(s)/transaction(s) with Related Parties in the ordinary course of business at arm's length basis for the purpose of sale, purchase, to avail/render any services or to enter into any other kind of transactions which construe to be Related Party Transactions up to an aggregate limit of Rs. 300 crores (Rupees Three Hundred Crores only) till the conclusion of 23rd AGM from the date of this Resolution including the transaction(s) already entered into with such party/parties from 1st April, 2016 till the date of this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to the Officials of the Company, to give effect to the aforesaid Resolution.”

Place: Mumbai
Date: May 19, 2016

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 of the Act, in respect of business under Item No. 6 to 10 set out above is annexed hereto. The relevant details of Directors seeking re-appointment/appointment at the 22nd Annual General meeting pursuant to the Regulation 36 of SEBI (Listing obligations and disclosure Requirements) Regulation 2015 of the Listing Agreement are 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 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 and 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 21, 2016 to September 27, 2016 (both days inclusive) for payment of dividend on equity shares.
7. The dividend as recommended by the Board of Directors, if declared at this Annual General Meeting, will be paid on or after September 27, 2016 to those shareholders whose names appear on the Company's Register of Members at the end of business hours on September 20, 2016. In respect of shares held in electronic mode, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of business hours on September 20, 2016 for this purpose.
8. 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.
9. **Electronic copy of the Annual Report for 2016 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 2016 is being sent in the permitted mode.**
10. 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.
11. Members are requested to correspond with RTA for all matters relating to shareholding in the Company.
12. 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 *
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
2013-14	20 th AGM – 12.09.2014	17.10.2021
2014-15	21 st AGM – 09.09.2015	14.10.2022

* Indicative dates mentioned above and actual dates may vary.

13. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulations 44 (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from place other than venue of the AGM) to exercise their right to vote at the 22nd Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

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

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

- i. The voting period begins on September 23, 2016 at 10.00 a.m. and ends on September 26, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 20, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on September 26, 2016.
- ii. Log on to the e-voting website www.evotingindia.com
- iii. Click on Shareholders
- iv. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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.
Dividend Bank Details OR Date Of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for <COMPANY NAME> on which you choose to vote.

- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
14. As per the provisions of the Companies Act, 2013 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Share Registrars and Transfer Agents.
16. The shareholders can also access the Annual Report 2015-16 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
17. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company's Share Registrars and Transfer Agents/ their Depository Participants, in respect of shares held in physical/ electronic mode respectively

Place: Mumbai
Date: May 19, 2016

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

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 October 31, 2015 had appointed Mr. Vipul P. Shah-CEO & Managing Director of the Company w.e.f January 1, 2016 for a period of 5 years and had determined the increase in remuneration payable to him subject to the approval of the members in the ensuing Annual General Meeting.

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 April 1, 2016 subject to the approval of the members. The Board has increased the remuneration from Rs 1,25,00,000 to Rs 1,75,00,000 for Mr. Vipul P. Shah (CEO & Managing Director). Remuneration paid to Mr. Vipul Shah for the period from January 1, 2016 to March 31, 2016 was as per the terms and conditions approved by the members at the Annual General Meeting held on September 12, 2014.

All other terms of his appointment remain unchanged. The remuneration is approved by the members of Nomination & Remuneration Committee. Other than Mr. Vipul Shah, none of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in this resolution except to the extent of their respective shareholding, if any in the company.

ITEM NO. 7

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 in this field is generating value of the Company in the market. This Diamond processing expert is serving with his best knowledge 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 ended on December 31, 2015 and Board of Asian Star Company Limited in its meeting held on October 31, 2015 resolved for his re-appointment for further term of 5 years w.e.f. January 1, 2016 as Executive Director subject to approval by members in the ensuing Annual General Meeting.

The Board has not revised remuneration which was fixed in accordance with Schedule V of the Companies Act, 2013, payable to Mr. Arvind T. Shah w.e.f October 1, 2014. The Board has decided to pay remuneration of 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 Nomination & Remuneration Committee. Other than Mr. Arvind T. Shah, none of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in this resolution except to the extent of their respective shareholding, if any in the company.

ITEM NO. 8

Mr. Priyanshu A. Shah- a young Director on the Board since 2004, his remarkable performance in production and marketing functions from more than 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 ended on December 31, 2015 and Board of Asian Star Company Limited in its meeting held on October 31, 2015 resolved for his re-appointment for further term of 5 years w.e.f. January 1, 2016 as Executive Director subject to approval by members in the ensuing Annual General Meeting. Remuneration paid to Mr. Priyanshu A. Shah for the period from January 1, 2016 to March 31, 2016 was as per the terms and conditions approved by the members at the Annual General Meeting held on September 12, 2014.

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 April 1, 2016 subject to the approval of the members. The Board has increased his remuneration from Rs. 75, 00,000 to Rs. 1, 00, 00,000. All the terms of his appointment remain unchanged. The remuneration is approved by the members of Nomination & Remuneration Committee. Other than Mr. Priyanshu A. Shah, none of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in this resolution except to the extent of their respective shareholding, if any in the company.

ITEM NO. 9

Mr. Rahil V. Shah youngest on the board served for successful 2 years with enthusiasm. This tech savvy personality is handling and balancing traditional and modern business ethics with sharp smartness. Acknowledging his two years efforts put in the Company, Board after considering the proposal of Nomination & Remuneration Committee for increasing salary of Mr. Rahil V. Shah has decided to increase annual salary from Rs. 30,00,000/- to Rs. 75,00,000/- w.e.f. April 1, 2016 subject to approval of members in the ensuing Annual General meeting. Other than Mr. Rahil V. Shah, none of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in this resolution except to the extent of their respective shareholding, if any in the company.

ITEM NO. 10

Pursuant to provisions of the Companies Act, 2013 and in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for the purpose of sale, purchase, to avail/render any services or any other kind of transactions in the ordinary course of business or any other kind of transactions entered into by the Company (excluding the transactions of sale, purchase, to avail / render any services or any other kind of transactions in ordinary course of business at arms length basis or any kind of transactions entered with wholly owned subsidiaries of the company) up to an aggregate limit of Rs. 300 Crores (Rupees Three Hundred Crores Only) which though in the ordinary course of business may be construed to be related party transactions with the conflict of interest, it is therefore proposed to Shareholders to approve as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, concerned or interested in this resolution, except to the extent of their respective shareholding, if any, in the Company. The Board recommends the resolution set forth in Item No.10 for the approval of the Members.

Place: Mumbai
Date: May 19, 2016

By Order of the Board

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

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

Information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of the Listing Agreement in respect of Directors seeking re-appointment/appointment at the 22nd Annual General Meeting:

Name of Director	Mr. Dharmesh D. Shah	Mr. Dinesh T. Shah	Mr. Vipul P. Shah	Mr. Arvind T. Shah	Mr. Priyanshu A. Shah
Date of Birth	02.10.1965	16.01.1940	23.09.1967	27.03.1947	14.05.1981
Expertise in Specific Functional Areas	Diamond Sales, Subsidiary Operations	Rough Assortment, Production Planning, Finance	Banking & Treasury Operations, Rough Procurement	Rough Manufacturing, Factory / Job Work Supervision	Jewellery Operations
Qualifications	B. Com	B. Sc.	B. Com	B. Tech	B.Com, A Certified Gemologist from G.I.A., New York.
Other Indian Companies in which Directorship held as on March 31, 2016	- Samruddha Gram Vikas Foundation - Asian Star Infotech Private Limited	- Asian Star Jewels Private Limited - Samruddha Gram Vikas Foundation	- Asian Star Diamonds International Private Limited - Diamond Exporters Association Limited - Asian Star Infotech Private Limited - India Diamond Trading Centre - The Gem & Jewellery Skill Council Of India - Samruddha Gram Vikas Foundation	- Asian Star Jewels Private Limited - Asian Star Diamonds International Private Limited - Paresh K Mehta Investment Pvt Ltd - Asian Star Infotech Private Limited - Palanpur Community Foundation - Samruddha Gram Vikas Foundation	- Asian Star Jewels Private Limited - Samruddha Gram Vikas Foundation - Asian Star Infotech Private Limited
Memberships of committees in Other Public Companies as on March 31, 2016 (includes only Audit Committee, Nomination & Remuneration Committee, Shareholder's / Investor's Grievance Committee)	NIL	NIL	NIL	NIL	NIL
Chairmanships of committees in Other Public Companies as on March 31, 2016 (includes only Audit Committee, Nominations & Remuneration Committee, Shareholder's / Investor's Grievance Committee)	NIL	NIL	NIL	NIL	NIL
Shareholding in the Company	11,50,000 Equity Shares	10,00,050 Equity Shares	40,00,050 Equity Shares	15,84,450 Equity Shares	12,15,450 Equity Shares



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 22811371, **Fax** : +91 22 22043747

ATTENDANCE SLIP

22ND ANNUAL GENERAL MEETING ON TUESDAY THE 27TH DAY OF SEPTEMBER, 2016 at 4.00 p.m. at Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next To Indian Oil Petrol Pump, Mumbai - 400002

Registered Folio / DP ID & Client ID	
Name & Address of Shareholder	
Joint Holder 1	
Joint Holder 2	

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company on Tuesday the 27th day of September, 2016 at 4.00 p.m.

Name of the Member: _____ **Signature:** _____

Name of the Proxy Holder: _____ **Signature:** _____

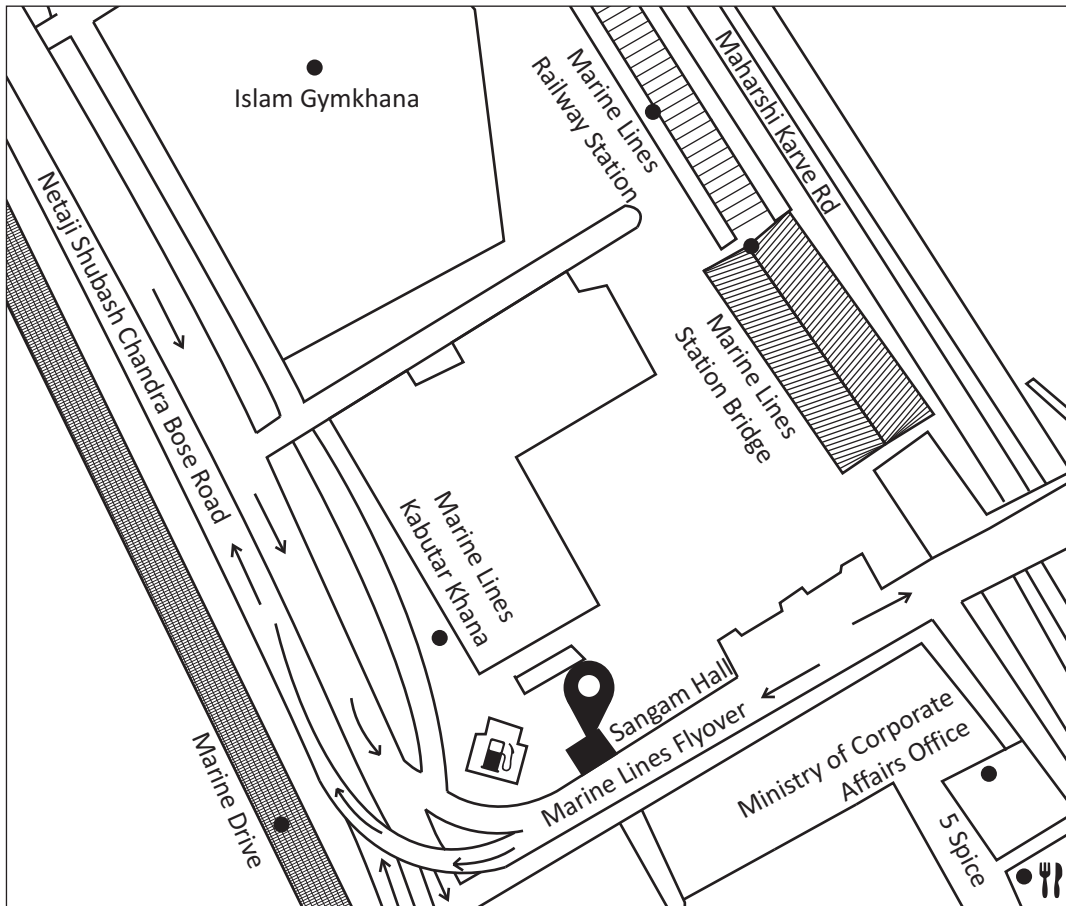
Note:

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

Venue of AGM:

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

Route Map





Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

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

Email - info@asianstargroup.com, Website - www.asianstargroup.com, Tel No: +91 22 22811371, 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 22nd Annual General Meeting of the company, to be held on the Tuesday, September 27, 2016 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, 2016.
2.	Approval of Dividend for the financial year ended March, 31, 2016.
3.	Re-election of Mr. Dharmesh D. Shah.
4.	Re-election of Mr. Dinesh T. Shah.
5.	To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM).
6.	Appointment of Mr. Vipul P. Shah as CEO & Managing Director of the Company for a term of upto five years.
7.	Appointment of Mr. Arvind T. Shah as Executive Director of the Company for a term of upto five years.
8.	Appointment of Mr. Priyanshu A. Shah as Executive Director of the Company for a term of upto five years.
9.	Increase in the remuneration of Mr. Rahil V. Shah - Executive Director.
10.	Approval of related party transactions upto an aggregate limit of Rs. 300 Crores only

Signed this _____ day of _____ 2016

Affix
1 Rupee
Revenue
Stamp

Signature of the Shareholder

Signature of Proxy Holder(s)

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 22nd Annual General Meeting.

GEM IN THE ROUGH



ASIAN STAR COMPANY LIMITED
22ND ANNUAL REPORT 2015-2016



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The year 2015-16 was a year when the diamond business globally went through a patch of rough weather. Strong winds in the form of demanding and difficult macro-economic conditions made sailing difficult, while challenging business and operating environment in Asia created unexpected market turbulence.

As the rough weather continued to lash every player in the industry affecting their performance and prospects, at Asian Star, we continue to weather the rough.

Because, at Asian Star, we know what it takes to handle the rough – be it weather or diamonds. Tiding over rough weather and grinding through roughstone is what we have always done successfully - with distinction and determination, with resolve and resilience, with firmness and fortitude.

And we are confident that the rough weather will subside soon. Beyond the rough weather, a bright and calm sea with smooth sailing awaits us.

Just as after the grinding and processing, there emerges from the rough a sparkling and dazzling gem.

At Asian Star, we are a

GEM IN THE ROUGH

THE ROUGH

Rough Economy

The global economy continued to face stiff headwinds contributing to the rough weather triggered by the global financial crisis in 2007-08. Both in the developing economies as well as emerging markets, growth decelerated even as commodity prices remained low, global trade remained subdued and capital flows remained weak. All BRICS economies except India witnessed a significant slowdown. The GDP in China fell as industrial growth weakened. In India, while GDP grew, the larger issues like sub-par monsoons, stressed balance sheets of banks and blockade of key reforms like the Goods and Services Tax (GST) led to uncertainty in consumers.

Rough macro-economic conditions adversely impacted consumer sentiments, which, in turn, reflected in weaker demand across all categories of the gems and jewellery business.

Rough Markets

While the global economy continued to go through the patch of rough weather, the year 2015-2016 also saw formidable challenges within the operating environment that further contributed to a turbulence in the market.

With the exception of the USA and China, consumer demand fell in other markets. In India, demand for diamond jewellery declined by four percent, whereas it remained flat in Japan. In the Gulf region, geo political instability in the Middle East coupled with lower oil prices subdued spending. The overall demand for diamond jewellery fell by almost thirteen percent in Rest of the World.

This translated into a steady drop in demand for diamonds in 2015, which, in turn, forced retailers to curtail their orders. In due course, this resulted in an inventory backlog in the cutting and polishing industry.

Further aggravating the situation, prices of rough remained firm; impacting profitability as margins got squeezed due to falling polished prices.

This rough market has meant that buyers are not only buying less frequently, but also in smaller quantities.

GEM IN THE ROUGH



There is no doubt that the diamond industry is going through rough weather and rough market conditions. Navigating through these rough waters needs both a strong resolve and a firm focus. At Asian Star, we have always been successful in overcoming the conditions and emerging unaffected, shining and sparkling, like a gem.

ADAPTABLE PORTFOLIO

At the heart of our enduring success is our adaptable and robust portfolio that builds a strong resilience to challenging market conditions.

In polished diamonds, we have a range that is developed and suited for a wider customer preference across key global markets. This adaptability insulates us to a large extent against slowdown in demand in specific markets.

Similarly, in our jewellery business, a majority of our product lines comprise of designs and styles which are globally accepted, and more importantly, are not affected by radical changes in fashion or demand fluctuations. Our portfolio also includes regional styles and bespoke high-end products that are prudently maintained and suitably adapted to match volatile market conditions. On the price points, we understand customer sensitivity, and have developed designs that meet lower price points and are affordable while retaining the expensive look and premiumness to meet customer aspirations.

ROBUST FINANCIALS

Our business typically entails a stretched working capital cycle. Financial management in general, and working cycle management in particular, form the backbone. During challenging macro environment and rough market conditions, liquidity becomes another challenge as banks squeeze credit to the industry. A strong balance sheet and robust financials thus become a key to overcoming operational turbulence.

Finance is a key function at Asian Star, managed by highly experienced professionals. Even during the current year which was highly challenging, our performance has been better than the industry. We have marginally increased our total revenues and there has been only a slight decrease in our net profit (before other income). Our professionally managed treasury operations insulate us from volatile currency markets. We have healthy reserves and all our expansion and capital expenditure are met from internal accruals.

At Asian Star, we have one of the best working capital cycles in the industry. We ensure that Receivables and Inventory, the two major components of working capital, are strictly monitored and evaluated on a regular basis. In addition, we also keep strong liquidity ratios. Free liquidity gives us the advantage of grasping any new business opportunity.

While banks have become extremely cautious in lending due to frequent cases of defaults, at Asian Star, we have a strong and assured banking support and enjoy high credit ratings. Our consortium of bankers has 19 banks in the public and private sector. We are the preferred customer with an unblemished record of timely payments. We have comfortable credit facilities that are vital to tide over the rough weather.

TRUSTED BY TOP MINING COMPANIES IN THE WORLD

The strongest validation of our success comes from the top global mining companies who have consistently preferred Asian Star for their financial strength and discipline, visibility and transparency in pipeline, non-compromising focus on quality, unmatched brand connect and deep customer relationships.

Today, we are amongst the few in the industry to have a direct supply from all the top global mining companies.

The long-term supply contract is given after a rigorous and stringent evaluation process. Once the contract is secured, there is regular monitoring of our performance and deliverables to ensure that credibility, reliability and sustainability are always within the set parameters and there is no deviance. Our conformity to international standards of ethical business practices is also a critical deciding factor.

While there are many other diamantaires who have direct supply from one or two of the top global suppliers, Asian Star is among the few who have a direct supply from ALL the TOP major global mining companies. These companies control the major share of rough produced globally, and they have found Asian Star to be one of the few gems amongst the many buyers all over the world.

This, we believe, is a clear and decisive validation of our enduring excellence and our ability to overcome the odds as we continue to be a: **GEM IN THE ROUGH**

BEYOND THE ROUGH

The current rough weather in the diamond industry is expected to subside in the near future and give way to a period of calmer seas and favourable winds as demand revives.

The global diamond industry is expected to recover its momentum in the next two years. Driving this optimism are the few early signs of recovery. Polished diamond prices have started to stabilise in certain areas. Early indication of the holiday season sales from the USA, which is still by far the largest diamond market in the world, is encouraging.

However, while these initial signs are indeed positive, we are not being complacent. We are being cautiously optimistic as we can see the current turbulence and volatility continuing in the next year, but with lesser intensity. The midstream trading environment remains delicate. The currency pressures have the potential to weigh on downstream demand in a number of locations.

At Asian Star, we have always remained resilient and are confident of our abilities to overcome challenges and sail through this phase of rough weather. Our embedded agility and hard-wired responsiveness provide us with the best insulation against adverse environment. We have the necessary experience and expertise to navigate through the turbulence and are committed to continue doing what is right for diamonds.

At Asian Star, we know that hidden inside the rough is always a gem.

That is our business.

That is our nature.

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.



PEOPLE

TOTAL COUNT: 2630 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, so as 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

Fine makes in round brilliant up to 5 carats, in all colours and clarities; fancy shapes; H & A; proprietary diamond cuts; certified diamonds.

Diamond Jewellery

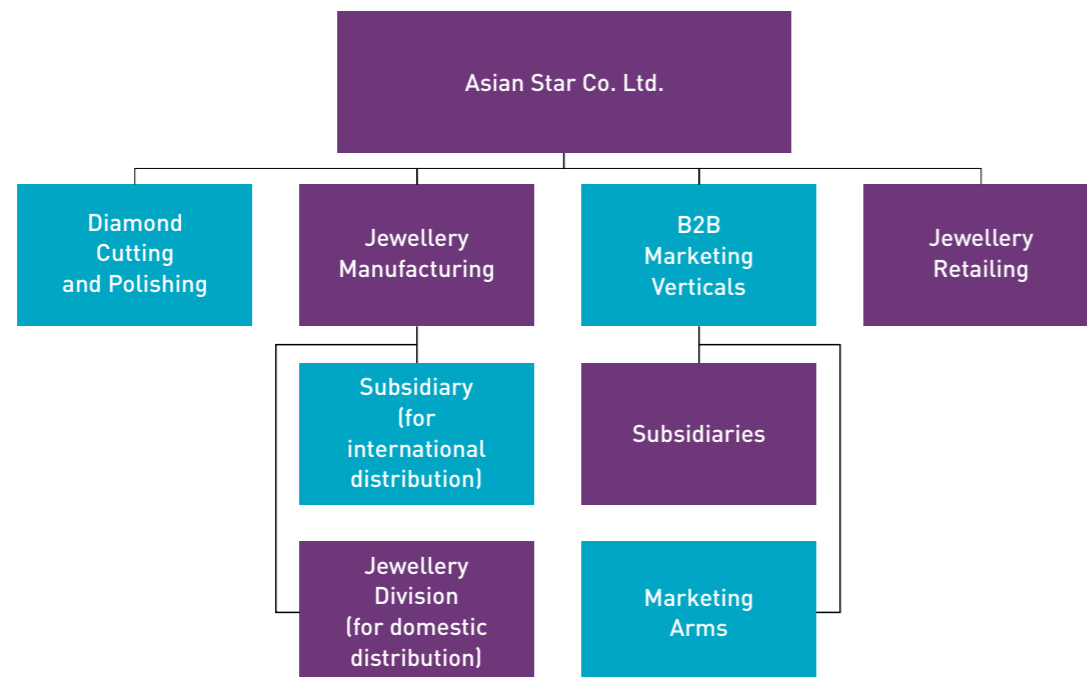
Specialist in fashion, bridal and solitaire diamond studded jewellery, in gold and platinum, for the domestic and international markets; spans all categories like Rings, Earrings, Pendants, Bracelets, Bangles, Necklaces, etc.

Diamond Jewellery Retailing

Exclusive jewellery event 'Rendezvous Luxe' and couture jewellery boutique (ex-factory Mumbai) to cater 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.

KEY STRENGTHS

A vertically integrated business model that makes commercial proposition sound & 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.

We have contractual rough supply from major mining companies such as Alrosa, De Beers, Dominion 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. Moreover, 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 in the game.

Well-established manufacturing capabilities coupled with cutting edge technology.

Manpower skills and technology are upgraded and aligned on a regular basis with world-class standards at our diamond processing and jewellery manufacturing units at Surat, Mumbai and Hosur in India.

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

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

LISTING

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

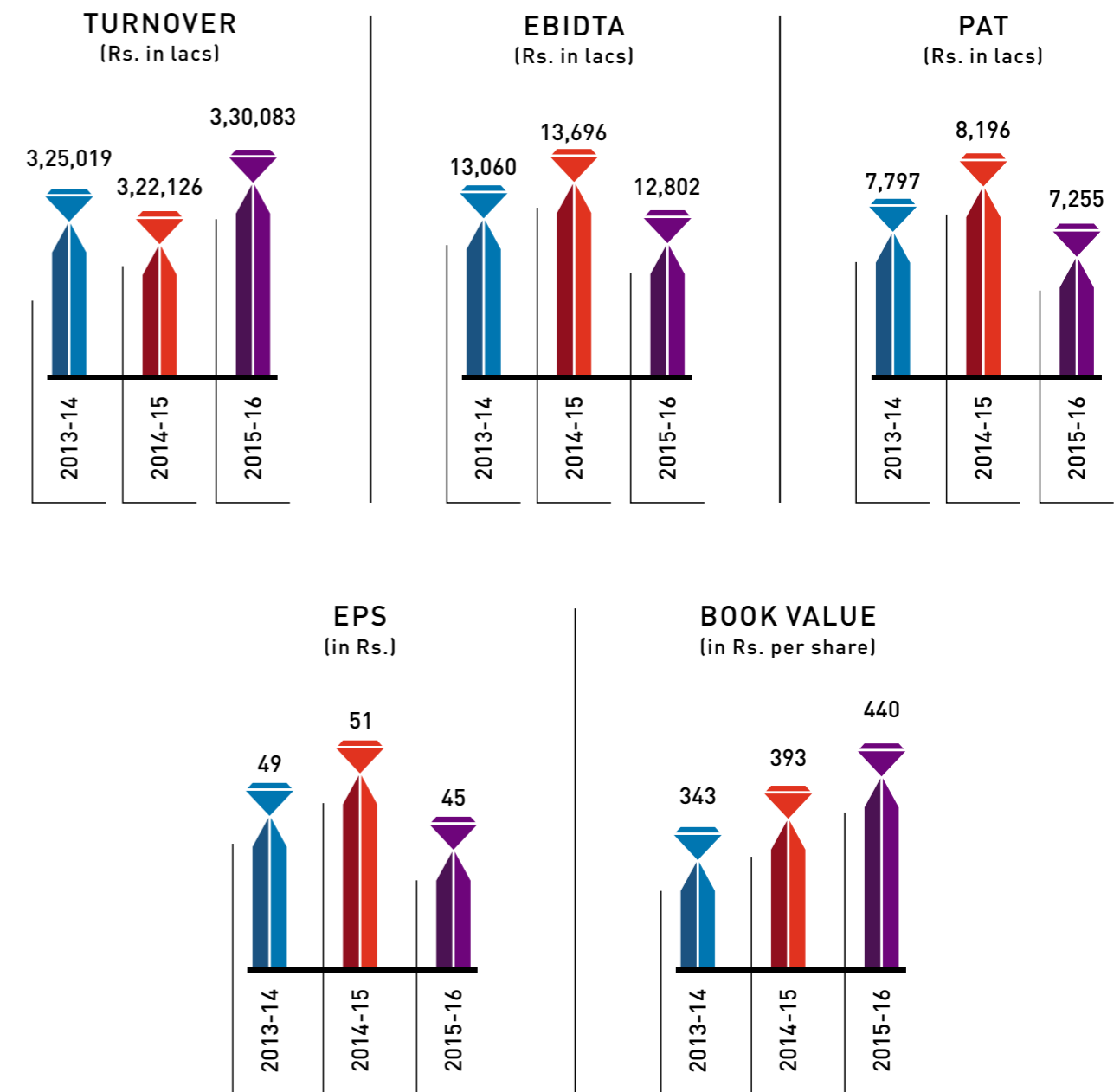
As on 31st March 2016 Asian Star Co. Ltd. had a market capitalisation of Rs. 1088 crore.

ACHIEVEMENTS

Has the prestigious status of being preferred purchaser of rough goods of Alrosa, De Beers, Dominion and Rio Tinto.

Certified member of the Responsible Jewellery Council (RJC).

CONSOLIDATED FINANCIAL PERFORMANCE



CEO AND MD'S MESSAGE



"We have the necessary experience and expertise, knowledge and insight, agility and dexterity, and above all, the confidence and conviction to overcome challenges and outlast the difficult times."

- Vipul P. Shah

DEAR SHAREHOLDERS,

It has been another year of rough weather and turbulence for the diamond industry. The overall challenging macro-economic conditions created by modest growth in major high-income economies combined with a sharp fall in global trade and weakening of all BRICS economies, with the exception of India, impacted demand adversely.

In 2015, global growth decelerated to 3.1 percent from 3.4 percent in 2014. Over 70 percent of global growth emanates from developing markets and emerging economies. The emerging and developing economies decelerated to 4 percent in 2015 against 4.6 percent in 2014.

The trepidation in the global economy was compounded by challenging operating environment. The diamond industry globally also had to face the paradoxical situation where on the one hand, miners held on firmly to their selling prices of rough, on the other hand, retail prices came down substantially. This led to an evident squeeze on profitability. The weakening of the Indian Rupee has made cost of import of rough consistently higher compared to a few years ago. In China too, the devaluation of Yuan has resulted in higher costs of import for diamond jewellery.

Evidently, a rough year.

And yet, amidst and in spite of this rough, at Asian Star, we emerged as a gem.

We have been largely successful in overcoming the difficulties through our resilience and resoluteness. A combination of adaptable portfolio, strong financial discipline and trust of leading mining companies in the world has been instrumental as we navigate the rough weather. The fact that we have overcome the challenging transactional environment is clearly borne by the fact and reflected in our performance for the year.

For the year 2015-16, our financial performance once again shone through.

Our Consolidated Turnover for the year increased to Rs. 3,300.83 crores against Rs. 3,221.26 crores in the previous year, an increase of 2.5 percent.

Impacted by higher costs and pressure on prices, our PAT (excluding Other Income and Exceptional Items) marginally declined to Rs. 73.14 crores compared to Rs. 74.62 crores in the previous year, a decline of 2 percent.

Considering the stiff headwinds unleashed by the global economy as well as turbulent waves of industry challenges, this performance is remarkable.

As I look ahead into the near-term future, I do see silver lining on the dark clouds. There are clear signs of economic recovery in major global markets. In India, the economy is fast surging ahead. In China, demand is expected to pick up by 2017, while in the USA, the largest diamond market in the world, key parameters of employment, housing and consumer spending are all showing positive signs. Further, supply is forecast to remain limited as no new mines are being discovered, resulting in a more demand-supply equilibrium. However, even though these are definite signs of optimism, at Asian Star, we remain cautious. What we can assure is the fact that we are prepared and equipped to overcome the challenges, and as things improve, capitalise on the opportunities. We have the necessary experience and expertise, knowledge and insight, presence and reach, capabilities and capacities, agility and dexterity, and above all, the confidence and conviction to overcome challenges and outlast the difficult times.

I thank you all for your trust and faith in Asian Star.

Yours Sincerely,

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



VIPUL P. SHAH
CEO & MANAGING DIRECTOR

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



K. MOHANRAM PAI
DIRECTOR

Mr. K. Mohanram Pai is 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.



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.



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 & Business Restructuring.



MIYAR R. NAYAK
DIRECTOR

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



RAHIL V. SHAH
EXECUTIVE DIRECTOR

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



DHARMESH D. SHAH
DIRECTOR

Having started his career in the diamond business from the bottom rung, Mr. Dharmesh Shah, Director of Asian Star Co. Ltd. has been trained in all aspects of the industry in India and abroad. He is well-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 & structuring of joint ventures and also inbound and outbound investments.



NEHA R. GADA
DIRECTOR

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

MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global economy

The global economy continued to witness disappointing performance owing to decelerating economic activities in emerging and developing nations amidst declining commodity prices, subdued global trade, financial market volatility and weak capital flows. As a result, the global economy grew only 3.1% in 2015 compared to 3.4% in 2014.

Chinese economy grew at 6.9% in 2015, weakest in past 25 years signalling weakening economic momentum. The economic rebalancing in China, macro-economic challenges in Brazil and Russia, weak growth in some Latin American and Middle East countries, particularly those hit hard by the oil price decline, intensifying conflicts and security risks led to a slowdown in the growth rate of emerging and developing nations from 4.6% in 2014 to 4% in 2015. China and India continued to be the major growth contributors.

The growth in advanced economies remained at last year's level of 1.9% as most of the advanced economies continue to struggle with low demand, credit and ageing population. In US, the economy grew strongly in first half of the year, slowing down in second half. In Euro area, the rising domestic demand led to a modest recovery as it grew 1.6% in 2015 against 0.9% in 2014. Japan's economy continues to remain fragile as external demand was negatively affected by slowdown in large emerging market economies.

The outlook of global economy is still gloomy as recovery is expected to take longer time owing to macro-economic tensions in emerging and low income nations, instability in financial markets, slowing growth in advanced economies, China's unwinding of prior excess and other non-economic stresses. As per IMF, the global economy is expected to grow 3.2% in 2016 and start picking up momentum growing by 3.5% in 2017.

The US economy would continue to witness slowdown in manufacturing, However, this is likely to be offset by improving housing markets, strengthening balance sheets and no fiscal drag leading to moderate growth in the economy. The US economy is expected to grow at 2.4% in 2016 and then slightly improve to 2.5% in 2017.

In the euro area, low investment, high unemployment, weak balance sheets and uncertainties around Brexit would weigh on growth, which will remain modest at 1.5% in 2016 and 1.6% in 2017. Japan will continue to struggle with growth projected at 0.6% in 2016.

The emerging markets and developing economies will still account for the lion's share of world growth in 2016, their growth rate is expected to be relatively modest at 4.1% in 2016 and 4.6% in 2017.

Indian economy

The Indian economy continued to witness significant recovery and strengthening amidst global dullness. The overall macro-economic scenario is positive and conducive for growth across all sectors especially the manufacturing sector with the Government's 'make in India' campaign. Despite falling exports, the economy grew 7.6% in 2015-16 against 7.2% in 2014-15 driven by rising private consumption on account of reducing oil prices and increasing real income. The economy grew strongly in the first half of the year. However in the second half the fiscal activities decelerated due to reduction in investments, on-going fiscal consolidation, low rural consumption and plummeting agricultural productivity due to deficit rainfall. While export slowdown may continue for a while before picking up in the next fiscal, continuance of low global commodity prices augurs well for sustaining low trade and current account deficits. The inflation rates in India was well under control as tight monetary policy, low commodity prices and supply side measures led to a decline in wholesale prices.

The outlook of Indian economy is very strong and it is expected to be the fastest growing economy in the world. The favourable policies by government with focus on reforms in key sectors, low inflation, low fiscal deficit, reduction in subsidies and forecast for above average rainfall would contribute towards the GDP growth as it is expected to be 7.6% or higher in 2016-17. Yet, the economy would have to continue weathering the global sluggishness with resilience and consolidate the gains in the year ahead.

INDUSTRY OVERVIEW

Gems and Jewellery Industry

The year 2015 was a challenging one for the global gems and jewellery industry. The overall macro-economic turbulence globally, adverse weather conditions in India, economic slowdown and financial turbulence in China, and political upheaval and plummeting currency in Turkey along with falling oil prices in Middle East countries all led to a decline in the gems and jewellery demand. Moreover, the rising inventory backlog, resilient rough prices and falling polished prices led to tapering margins and difficult operating conditions for the diamond players.

The diamond jewellery industry was almost constant in volume demand (but in value terms it declined from USD 81 bn in 2014 to USD 79 bn in 2015) led by a strong growth in demand from US consumers where the sales grew 5% from USD 37 bn to USD 39 bn. Sustained growth in the US economy, wages growth and rising employment levels is likely to further enhance demand for diamond jewellery. Chinese consumers also continued to increase their overall spend on diamond jewellery as sales reached USD 10 bn. The

demand for gems and jewellery remained subdued in Japanese, European and Middle Eastern countries.

The Indian Gems and Jewellery Industry

The gems and jewellery market plays an important role in Indian economy, contributing about 6-7% to GDP, 15% to the exports and provides employment to nearly 2.5 million people. The industry is largely export oriented as majority of the revenues in the industry comes from exports of cut and polished diamonds followed by gold and diamond jewellery. The Government of India has considered the industry an important focus area for export promotion. The domestic market is primarily dominated by gold jewellery accounting for 80% of Indian gems and jewellery market share followed by diamond and platinum jewellery with 19% and 1% share respectively. India is a global hub for jewellery sourcing owing to its low-cost advantage and skilled labour.

The year 2015-16 was a difficult one for the industry. The country's overall gems and jewellery exports declined 3.46% from USD 39.98 bn in 2014-15 to USD 38.59 bn in 2015-16. Major export locations were UAE, Hong Kong and USA with 32%, 28% and 22% share of the gross gems and jewellery export. This drop in the performance was due to various factors like global economic slowdown, weak demand, low margins, and shutdown of local jewellery market for more than a month in opposition of levy of excise duties.

Cut and polished diamonds

India is the world's largest diamond cutting and polishing centre owing to its low-cost advantage, high precision and quick turn-around. It accounts for 85 % of the global cut and polished production in caratage and 92 % in pieces. Cut and polished diamond accounted for 52% of the gross gems and jewellery export from India in 2015-16.

The exports of cut and polished diamonds fell by 13.66% from USD 23.16 bn in 2014-15 to USD 19.99 bn in 2015-16. This dip in exports during 2015-16 was primarily on account of subdued demand from China / Hong Kong, the second largest market for diamond jewellery in the world due to slowing down of the Chinese economy which adversely impacted consumer's discretionary spending towards luxury goods. However, there was steady demand for cut & polished diamonds from USA, the largest diamond jewellery market. Demand from the developed economies is growing at uninspiring rate with demand from Europe and Japan being softer. Whereas emerging market growth has slowed down. There has been a huge inventory build up in diamond pipe line especially at midstream and downstream level forcing troubled players to offload inventories at lower prices. The diamond trade has been facing pressure on its already thin profit margins due to higher rough diamond prices on one hand and subdued polished diamond prices with oversupply of diamond amidst a sluggish demand scenario.

Jewellery

It was a difficult year for the diamond jewellery industry that witnessed fall in both exports as well as domestic sales primarily due to global economic turmoil and consequent uncertainty in the domestic industry.

In a welcome change, the domestic market is witnessing a strong growth in the organised retail segment. Currently, the organised segment accounts for 22% share, while the unorganised segment primarily comprising local and independent stores makes up for 78% of the retail gems and jewellery market. In contrast to an annual growth of 10% in the overall retail gems and jewellery sector, the organised retail segment is expanding at 30-40% in recent years. The organised retailers, having strong financial strength, provide a whole new shopping experience for customers through the ambience of their stores, range of product, quality and trust factor leading to rising demand for branded jewellery.

Growing young population, rising disposable income, changing lifestyle with increasing influence of westernisation, brand awareness and penetration of organised retail players along with traditional demand for cultural and religious purpose will continue to drive growth in the India market.

Outlook

After yet another challenging year, there are encouraging signs indicating improvement in global economic environment. Advance economies are reviving with US leading the growth momentum backed by improved consumer sentiment. Chinese economy is expected to post modest growth. Indian economy is upbeat with renewed sense of optimism and positivity with the government's thrust on structural reforms in the core sectors and emphasis on inclusive growth and revival of rural economy.

For Gems and Jewellery Industry, the coming year is expected to be much better than past year with the US expected to be the main driver of growth. The global jewellery industry outlook is very positive with annual sales expected to grow by 5-6% over next few years. However, the market for cut & polished diamond would continue to witness volatility owing to high rough prices and demand supply mismatch.

The outlook for Indian market is positive driven by strong domestic demand. Forecast of an above-normal monsoon and implementation on 7th pay commission for government employees could spur a nascent recovery in consumer sentiment. A significant proportion of the growth is expected to come from the organised retail sector. The Indian gems and jewellery industry is likely to grow at a compounded rate of 16% to reach Rs. 5.5 trillion by 2018 as per report of A. T. Kearny.

COMPANY OVERVIEW

Asian Star Company Limited is one of the world's leading integrated diamond conglomerates. The Company commenced operations in 1971 with its head office in Mumbai. It has a significant presence across the value chain - right from diamond manufacturing to jewellery manufacturing and retailing. The Company, with its fine quality of cut and polished diamonds and exclusive collection of diamond jewellery, is a preferred supplier to leading jewellery brands and retail chains across the globe.

The Company is amongst the few to have direct supply of rough diamonds from leading diamond mining companies in the world. The Company's primary strength is its robust and adaptable portfolio comprising of polished diamonds & diamond jewellery and its strong financials.

Manufacturing Facility for Polished Diamond

The Company has world-class polished diamond manufacturing facility in Surat (Gujarat) spread across 1 lac square feet. It employs over 1,600 highly skilled artisans and has an expertise in delivering customised proprietary diamond cuts. The Company's production team with over 40 years of diamond-cutting experience leverages the use of latest technology and advanced equipments to achieve optimal yields and best value for clients. Manufacturing polished diamonds of various shapes, sizes, colours and purities from a wide range of rough diamonds is the Company's core-competence area. The Company is known for consistency in its quality and cut which is globally renowned as 'Asian Star Make'.

Manufacturing Facility for Jewellery

The Company has three diamond jewellery manufacturing facilities equipped with cutting-edge technology and advanced machineries spread over a combined area of 50,000 sq. ft. One unit in Mumbai caters to international markets and the other two (one each in Mumbai and Hosur) cater to domestic markets. The plants are ISO 9001:2008 certified and engage specialised creative designers and over 500 skilled artisans. The Company follows lean manufacturing process to deliver highest quality at the most competitive costs. The Company has expertise to manufacture diverse range of designs with trademark precision catering to specific demands from international, domestic and regional markets.

Distribution

The Company focuses on attaining highest levels of customer satisfaction by providing best quality products and value added services and expanding its reach to be in close proximity to customers. It is a result of this that some of the world's leading brands and retailers have been Asian Star's customers for many years. The Company has strategically created a presence in all major trading and consuming

centres across Asia, Europe and America through focused marketing approach. Currently, the Company has strong presence in the Far East, the Middle East and India which are all developing and emerging markets. The Company is also strengthening its presence in the CIS, BRIC and MIST regions.

Retail

The Company is a niche player in the retail segment catering exclusively to HNI customers through its couture boutique. The Company offers jewellery design consultation services to the customers at the boutique to cater to their specific requirements for special occasions. The boutique houses impressive range of prêt diamond jewellery that is elegant and harmoniously blends the best of modern and classic styles.

FINANCIAL OVERVIEW

Amidst a challenging environment for the global diamond industry, the Company managed to perform satisfactorily. In spite of a decline in the cut and polished diamond prices the Company managed to increase the total consolidated revenues from Rs. 3,221.26 crores in 2014-15 to Rs. 3,300.83 crores in 2015-16, an improvement of 2.5%. The diamond business grew 4.60% from Rs. 2,744.91 crores in 2014-15 to Rs. 2,871.07 crores in 2015-16 owing to a significant rise in sales volumes. Sales for the jewellery business declined 9.69% from Rs. 470.45 crores in 2014-15 to Rs. 424.88 crores in 2015-16.

In terms of profitability, the Company witnessed pressures due to the rising rough prices, declining cut and polished diamond prices and weakening rupee. As a result, PAT (excluding other income and exceptional items) marginally declined to Rs 73.14 crores compared to Rs 74.62 crores in the previous year, a decline of 2%. The consolidated networth of the Company strengthened from Rs. 628.74 crores in the previous year to Rs. 704.87 crores in the current financial year.

OPPORTUNITIES

Rising demand in USA

The US dominates the global gems and jewellery industry with nearly 45% of the demand. It shall continue to be main driver of diamond jewellery in 2016 owing to sustained recovery in economy and rising disposable income in hands of consumers with growth in wages and employment. Historically, the rising disposable income in US bears a close correlation to rising diamond purchases. Moreover, the sector witnessed noticeable consolidation with large jewellery chains gaining significant market share. The growth in US markets is likely to offset the weaker sales from China.

Rise of e-commerce

Indian consumers are traditional buyers of jewellery who believe in visiting trusted family jeweller for purchase.

However, with rising internet penetration, increasing confidence of youth in e-commerce and ease of buying, the consumers have started to develop preference for online shopping. The global online jewellery market, currently pegged at USD 10 bn is expected to grow to USD 18 bn in the next three years. India is expected to account for 20% of the global online jewellery market. Online platform would also enable the industry to extend its footprints to newer geographies leading to rise in consumer base and sales at negligible investments resulting in higher return on investments.

Domestic Demand

The domestic consumer demand in India is expected to rise driven by a consumption-led demand boost following various factors. The first being the easing liquidity conditions as RBI intends to infuse funds into the system through its Open Market Operations. So far, the RBI has infused funds amounting to Rs. 40,000 cr. These funds have a multiplier effect leading to increased liquidity in the system. Secondly, the rate cuts by RBI, 125 basis points in 2015-16 and 25 basis points in Q1 FY 2016-17, will enhance disposable income in the hands of consumers. Thirdly, the implementation of seventh pay commission providing 23.6% hike in government employees' salaries shall enhance disposable income and boost consumer demand. Fourthly, the forecast of above normal rainfalls, after two consecutive years of drought, shall enhance farm production leading to better income for the farmers. Beside this various initiatives of the government aimed at revival of rural economy will result in increase in rural demand.

Trading Hub

India enjoying monopolistic position in the diamond manufacturing has huge raw material requirement. 90% of its rough procurement is from primary trading centers in the EU, Israel and the UAE while the remaining is directly from rough producing countries like Russia, Australia, Canada and those in Africa. For a centre as large as India, it is important to source its rough directly from producers for stability and continuity of supply at economical prices.

In a major boost for the diamond industry in India, the Government has set up 'India Diamond Trading Centre (IDTC)' marking a significant milestone in PM Modi's 'Make In India' campaign to promote India as a global diamond trading hub. The IDTC is a Special Notified Zone 'SNZ' established by a collaboration of GJEPC and Bharat Diamond Bourse (BDB). It is spread across a 4,000 sq ft area within the premises of BDB.

It is the first SNZ in the country to facilitate rough diamond (bought directly from global miners) trading under special laws benefitting the local diamond industry, especially the SMEs, enabling them to source roughs directly from miners locally without the need to travel to trading centres abroad,

thereby reducing operational costs and time. It shall also lead to reduction in middlemen commission.

The IDTC would be a direct link between the rough diamond producers and polishing companies ensuring regular supply of roughs in the country. The wide array of rough diamonds on offer to Indian buyers will be unprecedented. The Government intends to set-up more such SNZs in the country. This project, will also further GJEPC's endeavour to make India a major trading hub similar to Israel, Dubai and Belgium".

RISKS, THREATS AND CONCERNS

Shrinking Margins

Rising prices of rough diamonds and falling prices of cut polished diamonds due to subdued demand in the past few years has led to erosion of already thin profit margins. The diamond manufacturers and midstream level traders have also incurred significant losses as increasing inventory pile-up and sluggish demand forced them to sale at low prices.

However, the rough prices are expected to decline to allow producers to carry on manufacturing without facing margin pressure. Moreover, the Company's large scale of production and practice of 'lean manufacturing process' allows it to attain optimum yields with very little wastage. Vertical integration advantage also allows the Company to offer lowest-cost solution to customers. The Company constantly works towards enhancing production process and upgrading technology at plant with an aim of increasing yield level.

Exhausting Old Mines

The global supply of rough diamonds is expected to decline at 1-2% annually over a period of 2015-2030 owing to ageing and depleting mines. Majority of global rough comes from Russia, Botswana, DRC, Australia, Canada, Zimbabwe, Angola, South Africa and Namibia – the diamond mines in these countries have passed their peak production levels. There has been no major discovery of new mines in past few years. Further, due to the local beneficiation programmes of the mining countries, increasing portion of the mined supply is retained for the local polishers. The reduced supply would put pressure on production of cut and polished diamonds.

The Company apart from having a contractual agreement with leading mine suppliers across the globe for supply of rough diamond has other alternative direct sources. Thus, it has an assured and continuous long-term supply of rough at competitive prices.

Synthetic Diamonds

Advanced technology has enabled production of lab-grown diamonds under specific conditions. These synthetic diamonds are very identical to the natural ones and poses risk of cheaper substitute. Instances of mixing synthetic diamonds with natural diamonds have led to undermining consumer confidence.

The Company has invested in advanced equipments that can successfully detect synthetic diamonds to safeguard interests of its customers and boost their confidence. The diamond producers, manufacturers and trade bodies have taken various initiatives to create awareness about it. Adequate disclosure across the value chain and use of equipments for detection of undisclosed synthetic diamonds is promoted to boost consumer confidence.

Shortage of Skilled Labour

Diamond polishing and jewellery making is an art which has been passed on from generation to generation. With rising literacy and introduction of various career options with better growth opportunities, young generations is more inclined to other industries. This has led to shortage of skilled craftsmen who are the backbone of this industry.

The Gems and Jewellery Skills Council of India, an initiative by the government, targets to train four million people till 2020 with the necessary skills for diamond cutting and jewellery making. The council plans to collaborate with the existing training institutes like Gemological Institute of America (GIA) and Indian Gemological Institute (IGI) to set-up new institutes in the major diamond cutting & processing centres and jewellery manufacturing hub for training and skill enhancement.

The Company regularly provides training to its employees to enhance their skills and takes necessary actions to ensure their personal and professional growth. This employee-centric approach of the Company has enabled to attract new talent and retain existing ones.

Liquidity Crunch

Gem and Jewellery industry is a highly capital intensive one due to long working capital cycle. Rising raw material prices, falling finished goods prices and economic slowdown can severely impact business and lead to debt trap. The rising NPAs (non-performing assets) and increasing defaults from players among the sector have led to reduced funding of the sector by banks creating severe liquidity crunch.

The Company has strong financial foundation with reserves worth Rs. 521 cr as on 31.03.2016. It has a strong team of experienced professionals effectively managing the Company's financial function. The Company has never faced any liquidity issue and enjoys strong banking relations and sustained confidence and support of consortium of bankers. The Company is having one of the best credit ratings in the industry from CARE that demonstrate its financial stability.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-defined internal control framework covering various aspects of governance, compliance, audit, control and reporting. The Company's internal control

systems are commensurate with the nature, size and complexity of its business operations. The Company ensures that all systems and processes are clearly documented, regularly appraised and updated by internal and statutory auditors and strictly followed. 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 Company's senior management supervises the internal audit and ensures appropriate compliance. The audit routinely covers all processes and functions across all business activities and ensures that any discrepancy or deviation are immediately flagged off for corrective measures to the senior management. The Audit Committee reviews the reports and ensures corrective measures are carried out to further improve the systems and procedures.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

HUMAN RESOURCES

The Company believes that human resources are the most critical element responsible for the growth of the Company over the years and acknowledges their contribution. Employee satisfaction is Company's top priority. The Company ensures safe, healthy and progressive work environment across all plants and offices. The Company's HR policies ensure working together with the employees for their personal and professional development. The employees are regularly provided with training and development programmes to enhance their skills and focus on career progression. The Company's relentless pursuit to connect with employees on a regular basis, communicate in an open and transparent manner, provide opportunities to learn and grow within the organisation are yielding desired results as is evident from the high retention rate and the motivation and engagement level of the employees. The employees are motivated to work in team and imbibe a deep sense of belongingness to work towards the growth of self and the organisation.

DIRECTORS' REPORT



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty-Second Annual Report on the Business and Operations of your Company together with the Audited Statement of Accounts for the year ended March 31, 2016.

Financial Results

(Rs. in Crore)

PARTICULARS	2015-2016	2014-2015
Total Sales	2,371.24	2,274.41
Add : Other Income	1.89	1.06
Total Income	2,373.13	2,275.47
Less : Total Expenditure	2,283.54	2,182.66
Operating Profit (PBDIT)	89.59	92.81
Less : Interest and Depreciation	30.85	37.08
Profit before Exceptional Items and Tax	58.74	55.73
Exceptional Items – Income / (Loss)	(0.86)	5.69
Provision for Tax	20.81	19.45
Provision for Deferred Tax	(1.52)	(1.24)
Profit after Tax	38.59	43.21
Add : Balance in Surplus Account Brought forward	302.82	267.96
Add : Tax on Proposed Dividend of last year Reversed	0.50	-
Profit available for appropriation	341.91	311.17
Appropriation		
Dividend / Proposed Dividend on Equity Shares	2.40	2.40
Tax on Dividend	0.50	0.50
Transferred to General Reserve	2.00	2.00
Adjustment relating to Fixed Assets	-	2.07
Provision for Tax of Earlier Years written off	-	1.38
Balance Carried forward to Balance Sheet	337.01	302.82
	341.91	311.17

Performance of the Company

Considering the challenging economic scenario during the year, both Overseas and in India, Company's performance was quiet satisfactory. In the difficult environment, Company has managed to achieve marginal increase in top line with sales of Rs. 2,371.24 crore, against that of Rs. 2,274.41 crore in previous year. Profit after tax excluding exceptional items has also increased by over 5% to Rs.39.45 crore from that of Rs.37.52 crore in previous year.

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, 2016 subject to the approval of the members on September 27, 2016. 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 20, 2016.

Transfer to reserve

The Company proposes to transfer 2.00 crore to the General Reserve out of amount available for appropriations and an amount of 34.19 crore is proposed to be retained in the Surplus Account.

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 2015-16, the Company has generated 145 lacs kwh resulting in the sales of Rs. 489 lacs.

Change in the nature of business, if any

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

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

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

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

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

Adequacy of internal financial controls with reference to the Financial statements:

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

Details of Subsidiary Companies/Joint Ventures/Associate Companies

Your Company has four wholly owned subsidiaries. These consist of:

1. Asian Star Jewels Private Limited
2. Asian Star DMCC
3. Asian Star Co. Ltd (USA)
4. Asian Star Trading (Hong Kong) Ltd

Out of the above Asian Star Jewels Private Limited is wholly owned Indian subsidiary company and rest three companies viz. Asian Star DMCC, Asian Star Co. Ltd (USA), Asian Star Trading (Hong Kong) Ltd are wholly owned foreign subsidiary companies of Asian Star Company Ltd.

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

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

Consolidated financial statements.

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with the Companies Act, 2013 and Accounting Standard AS-21, forms part of this Annual Report.

Deposit

Your Company has not accepted any public deposit during the financial period under review.

Auditors

V. A. Parikh & Associates LLP, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. 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 2016-2017.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules 2014, the Board of Directors of the Company had appointed Suresh Anchaliya & Company, to undertake the Internal Audit of the Company for the year ended 31st March, 2016.

Share Capital

The paid up capital of the Company as at March 31, 2016 stood at Rs. 160,068,000/-

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

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

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

Listing

The Equity Shares of the Company are listed on BSE Limited. The Company has paid listing fees for the year 2016-17.

Extract of Annual Return

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT 9 is annexed as Annexure - B

Energy conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**Conservation of Energy**

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

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. 173,687 lacs in foreign exchange by way of exports and has spent Rs. 85,055 lacs in foreign exchange, for the imports of materials & consumables, foreign travel, diamond grading charges and repairs and maintenance. The Directors are making their best endeavors to earn foreign exchange.

Corporate Social Responsibility (CSR)

Company has a CSR Policy which emphasises its focus on community development projects, prioritizing local needs in the area of education, health, livelihood and environment, for ensuring long term sustainable benefits. Detailed policy is available on our website: www.asianstargroup.com. CSR programs or projects to be undertaken by the Company in terms of this Policy, shall relate to one or more activities listed in Schedule VII of the Companies Act, 2013, at present or as may be amended from time to time. The CSR Committee comprises of Mr. Arvind T. Shah, Executive Director (Chairman), Mr. Dinesh T. Shah, CFO & Executive Director (Member) and Mr. Milind H. Gandhi, Independent Director (Member).

As part of its initiatives under "corporate social responsibility" (CSR), the company has contributed funds for the schemes of promotion of education and medical aid. The contributions in this regard have been made to various registered trust which are undertaking these schemes. Though there is a failure in contributing 100% of the amount to be spent under CSR, the Company is confident that it will successfully accomplish the target till the next financial year end by identifying new projects for contributing towards social welfare as per the Act.

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

Directors & Key Managerial Personnel**A. Key Managerial Personnel:**

Mr. Dinesh T. Shah holds the position of Chairman and CFO, while Mr. Vipul P. Shah is CEO & Managing Director and Ms. Aparna R. Shinde holds position of Company Secretary of your Company. Mr. Vipul P. Shah - CEO & Managing Director's term expired on 31st December 2015. He is appointed on the same designation by the Board of Directors in their meeting held on 31st October, 2015. His appointment is subject to the approval of members in the ensuing Annual General Meeting of the Company.

B. Directors:

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

Mr. Arvind T. Shah, Mr. Priyanshu A. Shah are reappointed by the Board of Directors as Executive Directors of the Company on the expiry of their term on 31st December, 2015. Their appointment is subject to the approval of members in the ensuing Annual General Meeting.

C. Board Independence:

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

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

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

* Due to health issues Mr. Bhupendra Shroff tendered his resignation on August 17, 2015. The Directors wish to place on record their deepest appreciation on the tremendous contribution of Mr. Bhupendra Shroff in the success achieved by the Company during his tenure as an Independent Director of the Company.

D. Declaration by an Independent Director(s)

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act, Clause 49 of the Listing Agreement (till November 30, 2015) and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (from December 1, 2015). In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

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

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

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure for the performance evaluation process for the Board, its Committees and Directors. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

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

Familiarisation Programme/Training of Independent Directors

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

Number of meetings of the Board

The Board met four times during the financial year, as held on May 18, 2015, August 12, 2015, October 31, 2015, and February 9, 2016 the details of which are given in the "Report on Corporate Governance" that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Committees of the Board

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

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

Committees in which Mr. Bhupendra Shroff was member/chairman were reconstituted during the year under review. Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

Vigil Mechanism/Whistle Blower Policy

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

Particulars of Loans, Guarantees or Advances

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

Related Party Transactions

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

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

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

Particulars of Employees

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

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

Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under Yogesh D. Dabholkar & Co., Practicing Company Secretary has been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure - E to this report. The report is self-explanatory and do not calls for any further comment.

Risk Management Policy

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

Directors' Responsibility Statement

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

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

Corporate Governance Report & Management Discussion and Analysis

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

As a listed company, necessary measures are taken to comply with the Listing Agreement of the Stock Exchange. A "Report on Corporate Governance", along with a certificate of compliance from the statutory auditors of the Company- V. A. Parikh & Associates LLP, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Listing Regulations (erstwhile Listing Agreement entered into with the Stock Exchanges) and Management Discussion and Analysis Report are given separately in this report which forms a part of the Annual Report.

Documents placed on the website:

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

- 1) Code of Conduct for Board of Directors and Senior Management
- 2) Terms & Conditions of Appointment of Independent Directors
- 3) Familiarization Program for Independent Directors
- 4) Whistle Blower Policy
- 5) Policy on Related Party Transactions
- 6) Investors Contact
- 7) Nomination & Remuneration Policy
- 8) Corporate Social Responsibility Policy
- 9) Composition of Board & Committees
- 10) Board Diversity Policy
- 11) Criteria for Making Payments to Non Executive Directors
- 12) Policy for Determination of Materiality of Events or Information
- 13) Policy for Determining Material Subsidiaries
- 14) Policy on Preservation of Documents and Archival Policy

Special Business:

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

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

Finance

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

Insurance

Properties and assets of the Company are adequately insured.

Human Resources

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

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

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

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

During the financial year 2015-16, the Company has not received any complaint on sexual harassment.

Cautionary Statement

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

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

Appreciation

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

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

Place : Mumbai

Dated : May 19, 2016

Registered Office:

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

For and on behalf of the Board

Dinesh T. Shah
Chairman & CFO
DIN:00004685

Vipul P.Shah
CEO & Managing Director
DIN:00004746

ANNEXURE A TO DIRECTORS' REPORT

FORM AOC - 1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries for the year ended 31st March 2016.

(Rs. in Lacs)

Particulars	Name of Subsidiary Company			
	Asian Star Jewels Private Limited	Asian Star Company Limited (U.S.A.)	Asian Star Trading (Hong Kong) Limited	Asian Star DMCC
Issued & Subscribed Capital	100.00	331.66	85.04	36.15
Reserves	1,808.77	194.19	212.09	14,317.83
Total Assets	9,094.59	4,449.43	23,892.11	29,577.43
Total Liabilities	9,094.59	4,449.43	23,892.11	29,577.43
Investments	-	-	-	-
Turnover	12,148.48	17,280.38	2,590.54	80,202.70
Profit/(Loss) before Tax	439.83	43.77	69.65	3,156.88
Provision for Tax	93.87	6.57	7.59	-
Profit/(Loss) After Tax	345.96	37.20	62.06	3156.88
Proposed Dividend	Nil	Nil	Nil	Nil

ANNEXURE B TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9

As on financial year ended on 31st March 2016

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

I. Registration and Other Details:

CIN	L36910MH1995PLC086017
Registration Date	March 2, 1995
Name of the Company	Asian Star Company Limited
Category /Sub-Category of the Company	Company limited by shares /Indian Non Government Company
Address of the Registered office and contact details	114-C Mittal Court, Nariman Point, Mumbai- 400 021 Tel: 022 22811371
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any.	Bigshare Services Pvt. Ltd ,E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai, -400072 , Tel: 022-40430200

II. Principal Business Activity of The Company:

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Cut & polished diamonds and studded jewellery	3691	99.74%

III. Particulars of Holding, Subsidiary and Associate Companies:

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

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

i. Category-wise share holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	10800000	0	10800000	67.48	10800000	0	10800000	67.48	0.00
Sub-total(A)(1):	10800000	0	10800000	67.48	10800000	0	10800000	67.48	0.00
(2) Foreign	1150000	0	1150000	7.18	1150000	0	1150000	7.18	0.00
Sub-total (A)(2):	1150000	0	1150000	7.18	1150000	0	1150000	7.18	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	11950000	0	11950000	74.66	11950000	0	11950000	74.66	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0	0.00
b) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0	0.00
c) Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
e) Insurance Companies	714507	0	714507	4.46	714404	0	714404	4.46	0.00
f) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0	0.00
g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0	0.00
h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
i) Any Other (specify)	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B)(1):	714507	0	714507	4.46	714404	0	714404	4.46	-0.00
(2) Non-Institutions									
a) Bodies Corporate	2614665	0	2614665	16.33	2614850	0	2614850	16.34	0.01
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18630	3202	21832	0.14	19021	3052	22073	0.14	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)									
i) Clearing Member	299	0	299	0.00	0	0	0	0.00	0.00
ii) Non resident Indians	50141	0	50141	0.31	50117	0	50117	0.31	0.00
iii) OCB	655356	0	655356	4.09	655356	0	655356	4.09	0.00
Sub-total(B)(2):	3339091	3202	3342293	20.88	3339344	3052	3342396	20.88	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	4053598	3202	4056800	25.34	4053748	3052	4056800	25.34	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	16003598	3202	16006800	100.00	16003748	3052	16006800	100.00	0.00

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Vipul P. Shah	4000050	24.99	0.00	4000050	24.99	0.00	0.00
2	Mr. Arvind T. Shah	1584450	9.90	0.00	1584450	9.90	0.00	0.00
3	Mr. Priyanshu A. Shah	1215450	7.59	0.00	1215450	7.59	0.00	0.00
4	Mrs. Rasila A. Shah	1200000	7.50	0.00	1200000	7.50	0.00	0.00
5	Mr. Dharmesh D. Shah	1150000	7.18	0.00	1150000	7.18	0.00	0.00
6	Mrs. Nirmala D. Shah	1200000	7.50	0.00	1200000	7.50	0.00	0.00
7	Mr. Dinesh T. Shah	1000050	6.25	0.00	1000050	6.25	0.00	0.00
8	Mrs. Nirmala D. Shah	600000	3.75	0.00	600000	3.75	0.00	0.00
	Total	11950000	74.66	0.00	11950000	74.66	0.00	0.00

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

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

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Flora Impex Private Limited	784113	4.90	01.04.2015	At the beginning of the year	-	-	784113	4.90
				31.03.2016	At the end of the year	-	-	784113	4.90
2	Nishant Impex Private Limited	768790	4.80	01.04.2015	At the beginning of the year	-	-	768790	4.80
				31.03.2016	At the end of the year	-	-	768790	4.80
3	United India Insurance Company Limited	714507	4.47	01.04.2015	At the beginning of the year	-	-	714507	4.47
				10.04.2015	Sell of Shares	103	0.00	714404	4.46
				31.03.2016	At the end of the year	-	-	714404	4.46
4	Rahil Impex Private Limited	691491	4.32	01.04.2015	At the beginning of the year	-	-	691491	4.32
				04.04.2015	Purchase of Shares	561	0.00	692502	4.33
				31.03.2016	At the end of the year	-	-	692502	4.33
5	Liston Investments Limited	605850	3.78	01.04.2015	At the beginning of the year	-	-	605850	3.78
				31.03.2016	At the end of the year	-	-	605850	3.78
6	Shloka Traders Private Limited	368898	2.30	01.04.2015	At the beginning of the year	-	-	368898	2.30
				31.03.2016	At the end of the year	-	-	368898	2.30
7	Nimesh Piyush Mehta	50000	0.31	01.04.2015	At the beginning of the year	-	-	50000	0.31
				31.03.2016	At the end of the year	-	-	50000	0.31
8	Twinkle Star Investments Limited	49506	0.31	01.04.2015	At the beginning of the year	-	-	49506	0.31
				31.03.2016	At the end of the year	-	-	49506	0.31
9	Surekha Vasantlal Shah	1500	0.01	01.04.2015	At the beginning of the year	-	-	1500	0.01
				31.03.2016	At the end of the year	-	-	1500	0.01
10	Shiv Kumar Goel	1421	0.01	01.04.2015	At the beginning of the year	-	-	1421	0.01
				05.06.2015	Purchase of Shares	2	0.00	1423	0.01
				19.06.2015	Purchase of Shares	1	0.00	1424	0.01
				31.03.2016	At the end of the year	-	-	1424	0.01

v. Shareholding of Directors and Key Managerial Personnel

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

Independent Directors did not hold any share of the Company during financial year 2015-16

V. Indebtedness

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

(Rs. in Lacs)

Sr. No.	Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i.	Principal Amount	79,226.00	4,681.00	-	83,907.00
ii.	Interest due but not paid	19.00	-	-	19.00
iii.	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	79,245.00	4,681.00	-	83,926.00
Change in Indebtedness during the financial year					
	• Addition	-	557.00	-	557.00
	• Reduction	2,174.00	-	-	2,174.00
	Net Change	2,174.00	557.00	-	2,731.00
Indebtedness at the end of the financial year					
i.	Principal Amount	77,071.00	5,238.00	-	82,309.00
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	77,071.00	5,238.00	-	82,309.00

VI. Remuneration to Directors and Key Managerial Personnel

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

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Designation & Name				Total Amount
		CEO & MD Mr. Vipul P. Shah	Executive Director Mr. Arvind T. Shah	Executive Director Mr. Priyanshu A. Shah	Executive Director Mr. Rahil V. Shah	
1	Gross salary					
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	125.00	125.00	75.00	30.00	355.00
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	125.00	125.00	75.00	30.00	355.00
	Ceiling as per the Act					635.38

B. Remuneration to other directors:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors	1.33	-	-	1.33
	Total (1)	1.33	-	-	1.33
2	Other Non Executive Directors	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1.33	-	-	1.33
	Total Managerial Remuneration (A+B)				356.33
	Ceiling as per the Act				635.38

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

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	125.00	5.00	130.00
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	125.00	5.00	130.00

VII. Penalties / Punishment/ Compounding of Offences

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

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

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

(1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes:

Company's CSR policy is available on: www.asianstargroup.com

(2) The Composition of the CSR Committee:

- Mr. Arvind T. Shah
- Mr. Dinesh T. Shah
- Mr. Milind Gandhi

(3) Average net profit of the Company for last three financial years-

The average net profits for the last three years is - Rs. 5507.19 Lacs

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

The Company is required to spend Rs. 110.14 Lacs towards CSR for the financial year 2015-16

(5) Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year:

To be spent - Rs. 110.14 Lacs

Actually spent - Rs. 34 lacs

(b) Amount unspent, if any: 76.14 Lacs

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

Details are as under:

(Rs. in Lacs)

Sr. No.	CSR project or activity identified	Sector in which projects covered	Location where project is undertaken: State (Local Area/ District)	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: 1) Direct expenditure on projects 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agencies
1	Education	Education	Mumbai, Maharashtra, Palanpur, Gujrat	7		Nil	Through implementing agencies
2	Social Business Project	Healthcare	Palanpur, Gujarat	25			
3	Promoting education of differently abled	Education	Mumbai, Maharashtra				
4	Mid day meals to children	Eradicating hunger	Mumbai, Maharashtra	2			
Total				34			

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

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

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

Mr. Vipul P. Shah
CEO & Managing Director

Mr. Arvind T. Shah
Chairman
CSR Committee

ANNEXURE D TO DIRECTORS' REPORT**DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014**

a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

(Explanation: (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

The ratio of the remuneration of each director to the median remuneration of the employees who were on pay roll of the Company for the financial year 2015-16.

Name of the Executive Directors	Ratio to Median
Vipul P. Shah	47.77:1
Arvind T. Shah	47.77:1
Priyanshu A. Shah	28.66:1
Rahil V. Shah	11.47:1

b) There is 20% increase in remuneration of Chief Financial Officer, 11.11% increase in remuneration of Chief Executive Officer & 28.2 % increase in remuneration of Company Secretary during the year under review.

c) The percentage increase in the median remuneration of employees in the financial year: 7.17%

d) The number of permanent employees on the rolls of the Company: 480 Employees as on March 31, 2016.

e) Explanation on the relationship between average increase in remuneration and the Company's performance:
The increase in remuneration depends on performance of individual employee and overall performance of the Company.

f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
For the financial year 2015-16, Key Managerial Personnel were paid remuneration of approximately 6.61% of Net Profit of the Company.

g) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

Particulars	As at March 31, 2016	As at March 31, 2015	Variation
Closing rate of shares at BSE	Rs. 680.00	Rs. 1253.25	-45.74%
EPS	Rs. 24	Rs. 27	
Market Capitalization	Rs. 1088.46 Crores	Rs. 2006.05 Crores	-45.74%
Price Earnings Ratio	28.21	46.42	

Comparison of share price at the time of last public offer and market price of the share of 31st March, 2016:

Market Price as on 31st March, 2016	Rs. 680
Price at the time of initial public offer in 1996	75/-
% increase of Market price over the price at the time of initial public offer	806.67

- h) Comparison of average percentage increase in salary of employees other than the managerial personnel and the percentage increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in the financial year 2015-16 was 12.89 % and there was 13.91 % increase in the percentage of managerial remuneration for the year 2015-16.

The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time.

- i) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	CEO	CFO	CS
Remuneration of KMP as % of revenue from operations	0.05	0.05	0.002
Remuneration of KMP as % of Profit before tax	2.16	2.16	0.086

- j) The key parameters for variable component of remuneration availed by the directors are as follows:
None of the Directors are entitled to any variable component of remuneration.
- k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.
No employee has received remuneration in excess of the highest paid Director during the year.
- l) Affirmation that the remuneration is as per the remuneration policy of the Company:
It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

ANNEXURE E TO DIRECTORS' REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016 (01-04-2015 to 31-03-2016)

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

Dear Sirs,

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Asian Star Company Limited ("the Company") as per Annexure I for the financial year from 1st April, 2015 to 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 / The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the Company during the Audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (notified with effect from 1st July, 2015);
- (ii) The Listing Agreement entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. The Company has complied with the provisions of section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility except section 135(5) as the unspent amount is Rs. 76.14 lacs.
2. The Company has granted loans, unconditional and interest free of Rs. 405.41 lacs to its Wholly Owned Subsidiary Company.
3. The Company has not filed certain forms with the Registrar of Companies.

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period the Company has not taken any actions or entered into events having a major bearing on the company's affairs in above referred laws, rules, regulations, guidelines, standards, etc.

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

For Yogesh D Dabholkar & Co.,
Practicing Company Secretaries

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

Place: Dombivli
Date: May 19, 2016

ANNEXURE - I TO SECRETARIAL AUDIT REPORT

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

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

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

For Yogesh D Dabholkar & Co.,
Practicing Company Secretaries

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

Place: Dombivli
Date: May 19, 2016

REPORT ON CORPORATE GOVERNANCE



REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy

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

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

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (Clause 49 of the erstwhile Listing Agreement executed with the Stock Exchanges).

II. Board of Directors

1) Composition

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

Mr. Bhupendra K. Shroff, an Independent Director of the Company resigned due to ill health w.e.f. August 17, 2015 hence the Board of Directors, as on 31.03.2016 is comprised of total 12 directors. The Company has a Promoter Executive Chairman and 6 Independent Directors i.e. half of the total number of Directors on its Board. Composition of the Board of Directors includes 5 Executive Directors and 7 Non-Executive Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking, law and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors. The Board has agreed that Executive Directors of the Company are responsible for the day to day affairs of the Company.

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

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

During the year 2015-16, the Board of Directors met 4 times (18.05.2015, 12.08.2015, 31.10.2015, 9.02.2016) with clearly defined agenda of the meetings sent in advance with suitable notes to the Directors.

Category and Attendance of Directors

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

Name	Category	Board Meetings attended	Last AGM attendance	Other than Asian Star Company Limited		
				No. of outside directorship held in public companies	No. of Board Committee ⁵ of which he/she is a member	No. of Board Committee ⁵ of which he/she 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	2	No	-	-	-
Vipul P. Shah	Promoter Executive Director	3	Yes	-	-	-
Priyanshu A. Shah	Promoter Executive Director	1	No	-	-	-
Rahil V. Shah	Executive Director	2	No	-	-	-
K. Mohanram Pai	Independent Non Executive Director	4	Yes	1	-	1
Bhupendra K. Shroff*	Independent Non Executive Director	1	No	-	-	-
Apurva R. Shah	Independent Non Executive Director	4	Yes	3	3	1
Hasmukh B. Gandhi	Independent Non Executive Director	4	No	2	2	1
Milind H. Gandhi	Independent Non Executive Director	3	Yes	1	2	-
Miyar R. Nayak	Independent Non Executive Director	4	No	1	1	-
Neha Rajen Gada	Independent Non Executive Director	3	Yes	1	-	-

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

*Resigned w.e.f. August 17, 2015.

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

3) Code of Conduct

The Company has adopted the framed Code of Conduct for all employees, Senior Management Personnel of the Company, including the Managing Director. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. Both the Codes are posted on the Company's website. All Board members and senior management personnel (as per Regulation 26 (3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by the CEO & Managing Director forms part of this report.

4) Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on March 31, 2016, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the Meeting, the Independent Directors:

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

5) Board and Director Evaluation and criteria for evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning. Criteria

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

6) Familiarization Programme for Independent Directors

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

III Audit Committee

The Board of your Company has constituted a very qualified Audit Committee in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Companies Act, 2013 which promotes relationship of accountability between the Board, Management and Statutory Auditors. The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions.

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

Name	Designation	Category	Committee Meetings Attendance
K. Mohanram Pai [#]	Chairman	Independent Director	4
Apurva R. Shah	Member	Independent Director	4
Bhupendra K Shroff*	Chairman (till August 12, 2015)	Independent Director	1
Arvind T. Shah [#]	Member	Executive Director	3

During the year 2015-16, the Audit Committee met 4 times (18.05.2015, 12.08.2015, 31.10.2015, 9.02.2016) with clearly defined agenda of the meetings.

[#]Mr. K. Mohanram Pai was appointed as a chairman and Mr. Arvind T. Shah was appointed as member of the Audit Committee in the meeting held on August 12, 2015.

The previous Annual General Meeting of the Company which was held on September 9, 2015 was attended by Chairman of the Audit Committee.

*Mr. Bhupendra K. Shroff tendered his resignation on August 17, 2015.

Internal Audit & Controls

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

IV Nomination & Remuneration Committee

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

Name	Designation	Category	Committee Meetings Attendance
Hasmukh B. Gandhi	Chairman	Independent Director	3
Milind Hasumukh Gandhi*	Member	Independent Director	2
Apurva R. Shah	Member	Independent Director	3

During the year 2015-16, the Nomination & Remuneration Committee met 3 times (12.08.2015, 31.10.2015, 09.02.2016) with clearly defined agenda of the meetings. Your Company has framed policy on Nomination & Remuneration; the same is displayed on the website of the Company under Corporate Governance segment.

Payment of remuneration to all the Executive Directors is recommended by the Nomination & Remuneration Committee reviewing the abilities and contribution of the individual Directors. Non-Executive Directors were paid sitting fees within the limits prescribed under the Act.

The details of actual payments made during the financial year 2015-16 to the Executive Directors of the Company are given below:

Name	Designation	Gross Salary (Rs. In lacs)
Dinesh T. Shah	Executive Chairman & CFO	125.00
Vipul P. Shah	CEO & Managing Director	125.00
Arvind T. Shah	Executive Director	125.00
Priyanshu A. Shah	Executive Director	75.00
Rahil V Shah	Executive Director	30.00

V Stakeholders Relationship Committee

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

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

*Due to the resignation of Mr. Bhupendra K. Shroff, Mr. K. Mohanram Pai was appointed as a chairman of the Stakeholder's Relationship Committee.

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

No. of Queries / Complaints	Received	Redressed	Unresolved
Letters from shareholders	1	1	0

Company Secretary and Address for Correspondence

Name and Designation	Telephone No.	Email ID	Fax No.
Aparna Shinde, Company Secretary	+91 22 2281 1371	secretarial@asianstargroup.com	+91 22 2204 3747

VI Corporate Governance Committee

The following are the committee members:

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

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

* Due to resignation of Mr. Bhupendra K. Shroff, Mr. Hasmukh B. Gandhi was appointed as a Chairman of the said committee.

VII Finance Committee

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

1. Dinesh T. Shah (Chairman)
2. Arvind T. Shah
3. Vipul P. Shah
4. Priyanshu A. Shah
5. Rahil V. Shah

VIII Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013.

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

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be spent on the CSR activities and monitor the same.
- Review the Company's CSR Policy periodically.
- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company under Corporate Governance segment. The Report on CSR activities for the year 2015-16 forms a part of the Directors' Report.

Composition and Attendance during the year

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

Name	Designation	Category	Committee Meetings Attendance
Mr. Arvind T. Shah	Chairman	Executive Director	3
Mr. Dinesh T. Shah	Member	Chairman & CFO	3
Mr. Milind Gandhi	Member	Independent Director	2

The Committee met three times during the year, on 12.08.2015; 31.10.2015 and 09.02.2016.

IX General Body Meetings

i) Annual General Meeting to be held on:

Date: September 27, 2016

Time: 4.00 p.m.

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

Book Closure Date: September 21, 2016 to September 27, 2016 (Both the days inclusive)

Dividend Date: If approved at Annual General Meeting will be paid on or after September 27, 2016

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

Year	Venue	Date	Time
2012-13	Sangam Hall, Mumbai	September 19, 2013	4.00 pm
2013-14	Sangam Hall, Mumbai	September 12, 2014	4.00 pm
2014-15	Sangam Hall, Mumbai	September 09, 2015	4.00 pm

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

- iii) No Extra-ordinary General Meeting of the shareholders was held during the year.
- iv) Postal Ballot: During the year under review, no resolution was put through by Postal Ballot.

X Disclosures

i) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website.

- ii) 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.
- iii) The Company has formulated a mechanism for employees to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. During the year under review, no such report was received. The Company Secretary and Audit Committee acts upon any reporting under Whistle Blower Policy.
- iv) Subsidiary Monitoring Framework
 - The Company has no material unlisted subsidiaries in India. The Audit Committee of the Company reviews the financial statements of the subsidiaries and the minutes of the Board meetings of these subsidiaries are also periodically placed at the Board meeting of the Company.
- v) Certificate on Corporate Governance- Annexed herewith.
- vi) Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares)
 - The Company does not have any shares in the demat suspense account or unclaimed suspense account.
- vii) Compliance Report on Non-mandatory requirements under Regulation 27(1)-
 - The Company has complied with all the mandatory requirements of the Corporate Governance as prescribed in Listing Regulation. Adoption of non-mandatory requirements of Listing Regulation is being reviewed by the Board from time-to-time.

XI Means of Communication

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

XII 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 2015-16 and Notice of 22nd Annual General Meeting of the Company are sent to all members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email address, physical copies of the Annual Report along with notice of Annual General Meeting for 2015-16 is being sent in the permitted mode.

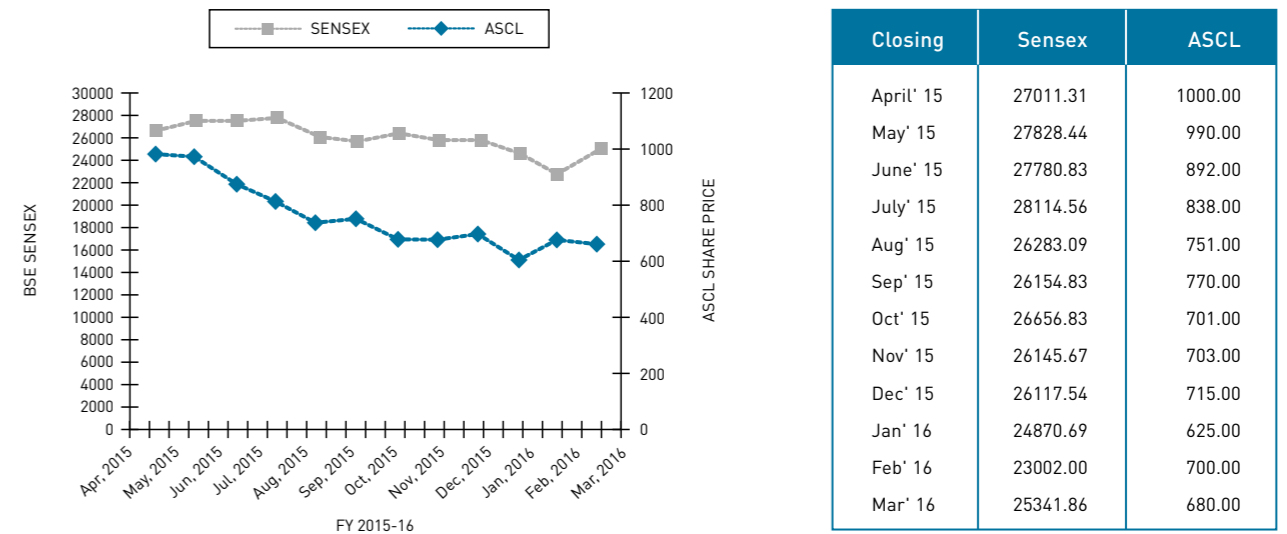
To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form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

XIII General Shareholder Information

Sr. No.	Information	
1	Annual General Meeting - Date and Time - Venue	September 27, 2016 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, 2016 Second week of October, 2016 Second week of January, 2017 Second week of May, 2017
3	Book Closure Date	September 21, 2016 to September 27, 2016
4	Dividend Payment Date	Dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within prescribed time, subject to deduction of tax, if any.
5	Listing on Stock Exchange at :	BSE Limited (Exchange Code: 531847) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023
6	ISIN number for NSDL & CDSL	INE194D01017
7	CIN No.	L36910MH1995PLC086017

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' 15	1210.00	920.00	Oct 15	800.00	666.00
May' 15	1000.00	820.00	Nov 15	739.00	653.25
June' 15	940.00	806.00	Dec 15	735.00	670.00
July' 15	936.00	761.00	Jan 16	691.00	625.00
Aug' 15	865.00	751.00	Feb 16	716.50	650.00
Sep' 15	770.00	665.00	Mar 16	680.00	680.00

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.
E-mail : info@bigshareonline.com Tel : +91 22 4043 0200 Fax : +91 22 2847 5207

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, 2016:

No. of Shares	No. of Share Holders	% of Total Share Holders	No. of Shares	% of Total Shares
1 - 500	435	94.16	14,060	0.09
501 - 1,000	8	1.73	5,439	0.03
1,001 - 2,000	3	0.65	3,688	0.02
2,001 - 3,000	-	-	-	-
3,001 - 4,000	-	-	-	-
4,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,001 & above	15	3.46	15,983,613	99.86
Total	461	100.00	16,006,800	100.00

12. Categories of equity shareholding as on March 31, 2016:

Category	No. of Folios	No. of Shares Held	% of Total Shares Held
Promoters	7	11,950,000	74.66
Body Corporates	29	2,614,850	16.33
Indian Public	416	22,073	0.14
NRI & OCB's	8	705,473	4.41
FII's	-	-	-
Clearing Member	0	-	-
Insurance Companies	1	714,404	4.46
Total	461	16,006,800	100.00

13. Dematerialisation of Shares and Liquidity:

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

16,003,748 equity shares i.e. 99.98 % of equity shares have been dematerialized up to March 31, 2016.

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.

Wind Energy

Sangli, Maharashtra,
Dindugul and
Coimbatore, Tamil Nadu
Palakkad, 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.: +91 22 2281 1371
Fax: +91 22 2204 3747

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

To,
The Members of Asian Star Company Limited

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Business Conduct for the year ended March 31, 2016.

For Asian Star Company Limited

Place : Mumbai
Date : May 19, 2016

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

CEO AND CFO CERTIFICATION

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

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

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2016 and that to the best of our knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
- I. Significant changes, if any, in internal control over financial reporting during the year;
 - II. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Mumbai
Date : May 19, 2016

Vipul P. Shah
CEO & Managing Director
DIN: 00004746

Dinesh T. Shah
Chairman & CFO
DIN: 00004685

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members
Asian Star Company Limited

We have examined the compliance of the conditions of Corporate Governance by Asian Star Company Limited (Company) for the year ended on March 31, 2016 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation of 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For V. A. Parikh & Associates LLP
Chartered Accountants
FR No. 112787W / W100073

Jinesh J. Shah
Partner
Membership No. 111155

Place : Mumbai
Date : May 19, 2016

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To,
The Members of Asian Star Company Limited,

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of ASIAN STAR COMPANY LIMITED ("The Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its 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, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - 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 and with the returns received from the branches not visited by us.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo : 112787W / W100073

JINESH J. SHAH
Partner
Membership No. 111155

Place : Mumbai
Date : May 19, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**Re: Asian Star Company Limited**

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

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, all the assets have been physically verified by the Management at the end of the accounting year and no material discrepancies were noticed on physical verification as compared to the book records.
- c. The title deeds of the immovable properties are in the name of the Company.
2. a. The stocks of finished goods and raw-materials have been physically verified by the management at the end of the accounting year. In our opinion the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification as compared to the book records.
3. a. The Company has granted loans, unconditional and interest free, to a company covered in the register maintained under section 189 of the Act.
- b. The principal amounts are repayable on demand and there is no repayment schedule. In view of this sub clause (b) and (c) of this clause is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction, which attract provisions of section 185 and 186, in respect of loans, investments, guarantees and securities.
5. The Company has not accepted any deposits from the public during the year.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7. a. According to the records of the Company and as per information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, and any other statutory dues applicable to it with appropriate authorities and there were no undisputed dues outstanding as on 31st March, 2016 for a period of more than six months from the date they become payable.
- b. Details of dues which have not been deposited as at 31st March, 2016 on account of disputes as given below:

Statement of Disputed Dues:

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

8. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to Government or Banks.
9. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has neither obtained any term loans nor has raised money by way of initial public offer or further public offer (including debt instruments).
10. In our opinion and according to the information and explanations given to us no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the order is not applicable.
12. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. To the best of our knowledge and belief and according to the information and explanations given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. In our opinion and according to the information and explanations given to us the Company has not entered into any non-cash transactions with the directors or persons connected with him.
16. The Company is not required to obtain registration under section 45IA of the Reserve Bank of India Act, 1934.

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo : 112787W / W100073

JINESH J. SHAH
Partner
Membership No. 111155

Place : Mumbai
Date : May 19, 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Asian Star Company Limited ("The Company"), as of 31st March, 2016 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo : 112787W / W100073

JINESH J. SHAH
Partner
Membership No. 111155

Place : Mumbai
Date : May 19, 2016

ASIAN STAR COMPANY LIMITED**BALANCE SHEET AS AT MARCH 31, 2016**

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,600.68		1,600.68	
Reserves and Surplus	2	52,148.72	53,749.40	48,529.69	50,130.37
Non-Current Liabilities					
Long-Term Borrowings	3	5,237.80		4,680.80	
Deferred Tax Liabilities (Net)	4	2,071.53		2,223.81	
Long-Term Provisions	5	6,814.49	14,123.82	4,709.08	11,613.69
Current Liabilities					
Short-Term Borrowings	6	77,070.62		79,226.27	
Trade Payables	7	17,616.35		19,914.72	
Other Current Liabilities	8	767.39		2,854.73	
Short-Term Provisions	9	2,371.60		2,235.94	
			97,825.96		1,04,231.66
TOTAL			1,65,699.18		1,65,975.72
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	10	15,197.64		15,978.59	
Capital Work-In-Progress		2,931.18		2,691.26	
		18,128.82		18,669.85	
Non-Current Investments	11	348.16		348.16	
Long-Term Loans and Advances	12	1,294.78		1,251.76	
Other Non-Current Assets	13	6,617.88		4,633.27	
			26,389.64		24,903.04
Current Assets					
Current Investments	14	88.96		129.48	
Inventories	15	40,488.98		54,634.15	
Trade Receivables	16	63,348.57		68,291.09	
Cash and Bank Balances	17	15,695.97		14,552.97	
Short-Term Loans and Advances	18	19,687.06		3,464.99	
			1,39,309.54		1,41,072.68
TOTAL			1,65,699.18		1,65,975.72
Significant Accounting Policies Notes on Financial Statements	1 to 44				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo: 112787W / W100073

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155

Place : Mumbai
Dated : May 19, 2016

APARNA SHINDE
Company Secretary

Place : Mumbai
Dated : May 19, 2016

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated : May 19, 2016

VIPUL P. SHAH
CEO & Managing Director
DIN - 00004746

Place : Mumbai
Dated : May 19, 2016

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Rs. in Lacs)

PARTICULARS	NOTE	2015-2016		2014-2015	
Revenue From Operations	19	2,37,124.15		2,27,440.76	
Other Income	20	189.08		10.63	
Total Revenue			2,37,313.23		2,27,451.39
EXPENSES					
Cost of Materials Consumed	21	1,62,030.73		1,87,257.36	
Purchases of Stock-In-Trade		29,788.68		21,095.77	
Changes in Inventories of					
Work-In-Progress & Finished Goods	22	12,472.48		(18,686.28)	
Employee Benefits Expense	23	4,159.63		3,596.26	
Finance Costs	24	1,722.57		2,225.80	
Depreciation and Amortization Expense		1,362.43		1,482.40	
Other Expenses	25	19,902.87		24,906.73	
Total Expenses			2,31,439.39		2,21,878.04
Profit Before Exceptional Items & Tax			5,873.84		5,573.35
Exceptional Items Income / (Loss)	26		(85.73)		568.98
Profit Before Tax			5,788.11		6,142.33
Tax expense					
Current Tax			2,081.26		1,945.60
Deferred Tax			(152.28)		(124.35)
Profit After Tax			3,859.13		4,321.08
Earnings Per Equity Share:					
Basic and Diluted (In Rs.)			24.11		27.00
Significant Accounting Policies					
Notes on Financial Statements	1 to 44				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo: 112787W / W100073

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155

APARNA SHINDE
Company Secretary

DINESH T. SHAH
Chairman & CFO
DIN-00004685

VIPUL P. SHAH
CEO & Managing Director
DIN-00004746

Place : Mumbai
Dated : May 19, 2016

Place : Mumbai
Dated : May 19, 2016

Place : Mumbai
Dated : May 19, 2016

Place : Mumbai
Dated : May 19, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	5,788.11	6,142.33
Adjustment for		
Depreciation	1,362.43	1,482.40
Finance Costs	1,722.57	2,225.80
Unrealised Foreign Exchange (Gain) / Loss	(918.21)	242.28
Dividend Received	(254.00)	(0.02)
(Profit) / Loss on Sale of Fixed Assets	85.73	(568.98)
(Profit) / Loss on Sale of Investments	2.59	-
Diminution in value of Investments	63.60	-
Wealth Tax	2.76	3.78
Operating Profit Before Working Capital Changes	7,855.58	9,527.59
Adjustment for		
Receivables	4,352.42	(3,235.11)
Inventories	14,145.17	(16,370.50)
Loans & Advances	(16,267.01)	4,031.35
Current Liabilities	(3,956.21)	10,184.28
Cash Generated from / (used in) Operations	6,129.95	4,137.61
Taxation	(1,985.44)	(1,906.04)
Net Cash from / (used in) Operating Activities	4,144.51	2,231.57
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Includes Capital Work in Progress)	(940.79)	(2,148.21)
Sale of Fixed Assets	33.66	708.47
Purchase / Increase of Investments	(30.86)	-
Dividend Received	254.00	0.02
Sale / Decrease of Investments	5.18	-
Net Cash from / (used in) Investing Activities	(678.81)	(1,439.73)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	557.00	(1,137.26)
Short Term Borrowings	(917.03)	2,683.03
Finance Costs	(1,722.57)	(2,225.80)
Dividend Paid	(240.10)	(240.10)
Tax on Dividend	-	(40.81)
Net Cash from / (used in) Financing Activities	(2,322.70)	(960.94)
Net Increase / (Decrease) in Cash & Cash Equivalents	1,143.00	(169.10)
Cash & Cash Equivalents as at 1st April (Opening)	14,552.97	14,722.07
Cash & Cash Equivalents as at 31st March (Closing)	15,695.97	14,552.97

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo: 112787W / W100073

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155

APARNA SHINDE
Company Secretary

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

VIPUL P. SHAH
CEO & Managing Director
DIN - 00004746

Place : Mumbai
Dated : May 19, 2016

Place : Mumbai
Dated : May 19, 2016

Place : Mumbai
Dated : May 19, 2016

Place : Mumbai
Dated : May 19, 2016

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, 2013.

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 is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 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 statement.

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. Investments

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 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 Employees 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 statement during the period in which the employee renders the related services. The Company has no further obligation under this plan beyond its monthly contributions.

b) The Company 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 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, 2016

1. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs.10 each	2,500.00	2,500.00
4,00,00,000 (4,00,00,000) Redeemable Cumulative Preference Shares of Rs.10 each	4,000.00	4,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each	1,600.68	1,600.68
Total	1,600.68	1,600.68

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, 2016		AS AT MARCH 31, 2015	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vipul Prabodh Shah	40,00,050	24.99	40,00,050	24.99
Nirmala Dinesh Shah	18,00,000	11.25	18,00,000	11.25
Arvind Tarachand Shah	15,84,450	9.90	15,84,450	9.90
Priyanshu Arvind Shah	12,15,450	7.59	12,15,450	7.59
Rasila Arvind Shah	12,00,000	7.50	12,00,000	7.50
Dharmesh Dinesh Shah	11,50,000	7.18	11,50,000	7.18
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
Total	1,19,50,000	74.66	1,19,50,000	74.66

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

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Equity shares at the beginning of the year	1,60,06,800	1,60,06,800
Equity shares at the end of the year	1,60,06,800	1,60,06,800

2. RESERVES & SURPLUS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
Capital Reserves				
As per Last Balance Sheet		298.16		298.16
Capital Redemption Reserve				
As per Last Balance Sheet		1,986.44		1,986.44
General Reserves				
As per Last Balance Sheet	15,763.68		15,763.68	
Add : Transfer from Surplus Account	200.00		200.00	
		15,963.68		15,963.68
Surplus Account				
As per last Balance Sheet	30,281.41		26,796.12	
Add: Profit for the Year	3,859.13		4,321.08	
Add: Tax on Proposed Dividend of last year reversed	50.24		-	
	34,190.78		31,117.20	
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	50.24		50.24	
Adjustment relating to Fixed Assets	-		207.13	
Provision for Tax of Earlier Years written off	-		138.32	
	490.34		835.79	
		33,700.44		30,281.41
Total		52,148.72		48,529.69

3. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Unsecured Loans		
Loan from Related Party- Directors	5,237.80	4,680.80
Total	5,237.80	4,680.80

4. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Deferred Tax Liability on account of :		
Depreciation	2,139.95	2,403.59
Less: Deferred Tax Asset written back on account of change in estimated useful life of Assets	-	111.36
	(A) 2,139.95	2,292.23
Deferred Tax Asset on account of :		
Provision for Doubtful Debts	8.50	8.50
Gratuity Liability	59.92	59.92
	(B) 68.42	68.42
Deferred Tax Liability - Net	(A-B) 2,071.53	2,223.81

5. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Provision for Employee Benefits		
Provision for Gratuity	341.56	181.75
Others		
Taxation	6,472.93	4,527.33
Total	6,814.49	4,709.08

6. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Secured Loans		
Working Capital Loan from Banks	77,070.62	79,226.27
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Mortgage of Premises at Mumbai & Surat		
d. Guaranteed by some of the Directors in their Personal Capacity		
Total	77,070.62	79,226.27

7. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Creditors for Goods		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	16,434.33	19,063.67
Creditors for Processing		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	1,182.02	851.05
Total	17,616.35	19,914.72

8. OTHER CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Other Payables *	767.14	2,854.49
Unclaimed Dividend	0.25	0.24
Total	767.39	2,854.73

* Includes statutory dues and payable for expenses / services.

9. SHORT TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Proposed Dividend	240.10	240.10
Tax On Dividend	50.24	50.24
Provision for Taxation	2,081.26	1,945.60
Total	2,371.60	2,235.94

10. FIXED ASSETS

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK			
	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At April 1, 2015	For The Year	Adjustments upon adoption of Schedule II	Deductions	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015
Tangible Assets											
Land	774.81	-	-	774.81	-	-	-	-	-	774.81	774.81
Office Premises	2,757.53	-	-	2,757.53	366.45	20.63	-	-	387.08	2,370.45	2,391.08
Factory Premises	2,308.88	2.73	-	2,311.61	365.38	87.54	-	-	452.92	1,858.69	1,943.50
Plant & Machinery	13,346.38	539.25	23.53	13,862.10	4,409.12	839.04	-	15.69	5,232.47	8,629.63	8,937.26
Vehicles	566.44	75.96	8.91	633.49	263.43	70.78	-	5.43	328.78	304.71	303.01
Furniture & Fixtures	1,040.67	21.37	-	1,062.04	497.64	124.42	-	-	622.06	439.98	543.03
Office Equipments	1,899.19	42.35	181.84	1,759.70	925.67	148.99	-	73.77	1,000.89	758.81	973.52
Computer	549.33	19.21	-	568.54	436.95	71.03	-	-	507.98	60.56	112.38
CURRENT YEAR	23,243.23	700.87	214.28	23,729.82	7,264.64	1,362.43	-	94.89	8,532.18	15,197.64	15,978.59
PREVIOUS YEAR	22,310.15	1,143.52	210.44	23,243.23	5,534.70	1,482.40	318.49	70.95	7,264.64	15,978.59	17,437.43

11. NON-CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
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, 2016	AS AT MARCH 31, 2015
Capital Advances	570.49	445.26
Security Deposits	318.88	241.09
Loans and advances to related parties (Loan to Subsidiary Company)	405.41	565.41
Total	1,294.78	1,251.76

13. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Advance Tax	6,579.00	4,596.30
Deposits With Others	38.88	36.97
Total	6,617.88	4,633.27

14. CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Investments in Equity		
Unquoted, fully paid up		
Ratanakar Bank Limited (28,000 (Nil) Shares of Rs. 10 each)	30.86	-
A	30.86	-
Quoted, fully paid up		
Classic Diamonds (India) Ltd. 716 (5,000) Shares of Rs. 2 each	0.67	4.70
Flawless Diamond (India) Ltd. 100 (100) Shares of Re. 1 each	0.01	0.01
Gitanjali Gems Ltd. Nil (1,000) Shares of Rs. 10 each	-	2.21
Golddiam International Ltd. Nil (1,000) Shares of Rs. 10 each	-	0.97
Golkunda Diamonds & Jewellery Ltd. Nil (10) Shares of Rs. 10 each	-	0.01
Parekh Platinum Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Rajesh Exports Ltd. Nil (600) Shares of Re. 1 each	-	0.51
S.B. & T International Ltd. Nil (10) Shares of Rs. 10 each	-	0.01
Shantivijay Jewels Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shrenuj & Co Ltd. 2,000 (2,000) Shares of Rs. 2 each	0.44	0.44
Winsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.56	0.56
Vaibhav Global Ltd. Nil (10) Shares of Rs. 10 each	-	0.03
Zodiac JRD MKJ Ltd. Nil (10) Shares of Rs. 10 each	-	0.01
Tribhovandas Bhimji Zaveri Ltd. 1,00,000 (1,00,000) Shares of Rs. 10 each	120.00	120.00
B	121.70	129.48
A+B	152.56	129.48
Less:- Adjustment to carrying amount of Investments	(63.60)	-
Total	88.96	129.48
Aggregate amount of quoted investments	121.70	129.48
Market Value of quoted investments	58.10	149.43
Basis of Valuation - at cost or market value whichever is lower		

15. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Raw Materials	16,408.78	18,079.75
Work In Progress	2,291.18	2,060.56
Finished Goods	21,766.36	34,469.46
Consumables	22.66	24.38
(As verified, valued and certified by a Director)		
Total	40,488.98	54,634.15

16. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016		AS AT March 31, 2015	
Unsecured				
Over six months from due date				
Considered Good	862.80		987.72	
Considered Doubtful	24.71		49.71	
	887.51		1,037.43	
Less: Provision for Doubtful Debts	24.71		49.71	
		862.80		987.72
Others				
Considered Good		62,485.77		67,303.37
Total		63,348.57		68,291.09

17. CASH AND BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Balances with Banks	3,222.93	4,036.22
Fixed Deposits with Banks	12,430.60	10,462.78
Cash on hand	42.44	53.97
Total	15,695.97	14,552.97

Balance with banks include unclaimed dividend of Rs. 0.25 Lacs (For F.Y. 2014-15 it was Rs. 0.24 Lacs) & unclaimed fractional entitlement Rs. 0.17 Lacs (For F.Y. 2014-15 it was Rs. 0.17 Lacs).

Fixed Deposits with banks include deposits of Rs. 226.47 Lacs (For F.Y. 2014-15 it was Rs. 746.70 Lacs) with maturity of more than 12 months.

Fixed Deposits with banks includes deposits of Rs. 620.30 Lacs (For F.Y. it was Rs. 573.75 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 MARCH 31, 2016	AS AT MARCH 31, 2015
Advance Tax	2,009.61	1,980.57
Loans & Advances Others *		
Unsecured, considered good	17,677.45	1,484.42
Total	19,687.06	3,464.99

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

19. REVENUE FROM OPERATIONS

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Sale of Products	2,36,630.21	2,27,094.38
Sale of Services	493.94	346.38
Total	2,37,124.15	2,27,440.76

19.1 PARTICULARS OF SALE OF PRODUCTS

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Diamond	2,06,296.12	1,92,355.97
Jewellery	29,845.53	34,148.05
Power- Windmill	488.56	590.36
Total	2,36,630.21	2,27,094.38

20. OTHER INCOME

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Dividend Income	254.00	0.02
Provision for Diminution in value of Investments	(63.60)	-
Miscellaneous Receipts	1.27	10.61
Net gain / (loss) on Sale of Investments	(2.59)	-
Total	189.08	10.63

21. COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Stock at the Commencement	18,079.75	20,395.23
Purchases during the year	1,60,359.76	1,84,941.88
	1,78,439.51	2,05,337.11
Less : Stock at the Close	16,408.78	18,079.75
Total	1,62,030.73	1,87,257.36

21.1 COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Rough Diamonds	1,46,919.78	1,71,945.90
Others	15,110.95	15,311.46
Total	1,62,030.73	1,87,257.36

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

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Variation in Stock of Work-In-Progress		
Stock at the Commencement	2,060.56	2,480.73
Less: Stock at the Close	2,291.18	2,060.56
	A	420.17
Variation in Stock of Finished Goods		
Stock at the Commencement	34,469.46	15,363.01
Less: Stock at the Close	21,766.36	34,469.46
	B	(19,106.45)
Total	A+B	(18,686.28)

23. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Salary & Bonus	2,480.47	2,265.09
Director's Remuneration	480.00	447.50
Wages	592.18	490.84
Gratuity	264.47	70.54
Ex Gratia & Leave Encashment	86.25	68.81
Labour Welfare Fund Expenses	0.62	0.61
Contribution to Provident Fund	192.91	153.19
Insurance	23.32	55.83
Contribution to E.S.I.C.	28.23	29.25
Staff Welfare Expenses	11.18	14.60
Total	4,159.63	3,596.26

24. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2015-2015	2014-2015
Interest Expense	1,391.08	1,847.07
Other Borrowing Costs	331.37	374.22
Other Interest*	0.12	4.51
Total	1,722.57	2,225.80

*Includes interest on late payment of Service Tax.

25. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Manufacturing Expenses		
Processing Expenses	15,881.17	20,286.15
Electricity, Power & Fuel	427.90	390.94
Consumables	210.66	306.03
Factory Expenses	56.46	42.83
	16,576.19	21,025.95
Administrative / Selling & Distribution Expenses		
Bank Commission & Charges	212.75	215.66
Electrical Charges	141.74	145.64
Telephone, Internet and Fax Charges	82.42	83.48
Local Travelling and Conveyance	69.10	56.89
Legal & Professional fees	175.58	126.21
Audit Fees	5.17	5.06
Printing & Stationery	47.53	38.62
Repairs & Maintenance (Other)	102.23	95.99
Repairs & Maintenance (Building)	3.44	15.75
Repairs & Maintenance (Plant & Machinery)	132.07	141.79
Repairs & Maintenance (Windmill)	196.24	187.07
Postage and Courier	64.20	64.22
Rates & Taxes	27.93	32.03
Motor Car Expenses	58.36	55.09
Provision for Doubtful Debts Written Back	(25.00)	49.71
Bad Debts (net of Recovery)	19.59	11.06
Insurance Premium	221.07	215.28
Rent & Compensation	160.16	153.95
Donation	15.51	11.85
CSR Expenditure	34.50	106.19
Office Canteen Expenses	76.16	75.01
Office Expenses	33.95	15.27
Director's Sitting Fees	1.57	1.73
Sundry Expenses	83.94	109.58
Security Charges	53.03	56.98
Registration & Filing Charges	1.20	65.63
Wealth Tax	2.76	3.78
Membership and Subscription	33.89	12.53
Service Tax- Swachh Bharat Cess	0.26	-
Advertisement	58.33	83.92
Sales Expenses	119.35	82.46
Entertainment Expenses	109.42	123.52
Foreign Travelling	182.08	165.40
Commission on Sales	208.44	196.75
Re-Assortment Charges	21.21	28.26
Freight & Clearing Charges	154.96	170.83
Agency Charges	16.44	15.81
E.C.G.C. Premium	229.54	166.37
Diamond Grading Charges	149.02	658.96
Packing Expenses	46.54	36.45
	3,326.68	3,880.78
Total	19,902.87	24,906.73

26. EXCEPTIONAL ITEMS INCOME / (LOSS)

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Net gain / (loss) on sale of Fixed Assets	(85.73)	568.98
Total	(85.73)	568.98

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. 5.66 crores (For F.Y. 2014-15 it was Rs 8.75 crores).

28. Derivatives Instruments:

- a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2016.
- i) For hedging currency related risk:
Forward / option contracts (net) for Purchases entered into by the Company and outstanding as on 31st March, 2016 amount to Rs.79.47 crores (for F.Y. 2014-15 forward / option contracts (net) for Sales was Rs. 856.80 crores).
- ii) For hedging commodity related risk:
Forward contracts for Sale of Gold and Purchase of Silver entered into by the Company and outstanding as on 31st March, 2016 covers 50 Kgs and 60 Kgs respectively. (For F.Y. 2014- 15 it was for Sale of Gold 42 Kgs and for Sale of Silver 210 kgs.)
- b) Foreign currency exposure (net liability) that is not hedged by the derivative instruments as on 31st March, 2016, amount to Rs.310.55 crores. (For F.Y. 2014-15 it was Rs. 370.18 crores).

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 MARCH 31, 2016	AS AT MARCH 31, 2015
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. a) The Company has given guarantee of Rs. 242.00 crores (For F.Y. 2014-15 it was Rs. 205.74 crores) to banks for facilities availed by its subsidiary companies.
- b) The Company has disputed service tax liability of Rs.4.46 crores (For F.Y. 2014-15 it was Rs. 4.46 crores).
- c) The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2014-15 it was Rs. 1.63 crores) in respect of Customs duty raised by Commissioner of Customs.

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

31. Related Party Disclosure for the year ended 31st March, 2016**a) List of Related Parties and relationships:**

(A) Particulars of Enterprises controlled by the Company	Relationship
Name of Related Party Asian Star Company Ltd. - (U.S.A.) Asian Star DMCC Asian Star Jewels Pvt. Ltd. Asian Star Trading (Hong Kong) Ltd.	Wholly Owned Subsidiary Wholly Owned Subsidiary Wholly Owned Subsidiary Wholly Owned 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	
(D) Particulars of Relatives of Key Management Personnel where there are transactions	
Sujata V. Shah Sweta D. Shah	

b) Transactions during the year with Related Parties:

(Rs. in Lacs)

PARTICULARS	NAME OF THE PARTY	VOLUME	AMOUNT OUTSTANDING AS ON 31.03.2016
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	14,000.46	3,393.27
	Asian Star Jewels Pvt. Ltd.	5,334.69	2,552.68
	Jewel Art (Unit-II)	20.51	20.51
	Asian Star DMCC	252.21	Nil
Dividend Received			
Investment in Subsidiary	Asian Star Co. Ltd.- (U.S.A.)	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 Repaid by Subsidiary	Asian Star Jewels Pvt. Ltd.	160.00	405.41
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	7.21	Nil
	Asian Star Jewels Pvt. Ltd.	1.84	Nil
Directors' Remuneration	Dinesh T. Shah	125.00	Nil
	Arvind T. Shah	125.00	Nil
	Vipul P. Shah	125.00	Nil
	Priyanshu A. Shah	75.00	Nil
	Rahil V. Shah	30.00	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil
	Arvind T. Shah	0.96	Nil
	Dharmesh D. Shah	0.72	Nil
	Vipul P. Shah	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30.00
	Arvind T. Shah	Nil	30.00
	Dharmesh D. Shah	Nil	20.00
	Vipul P. Shah	Nil	30.00
Unsecured Loans Taken / (Repaid) -(Net)	Dinesh T. Shah	18.00	456.00
	Arvind T. Shah	Nil	65.80
	Dharmesh D. Shah	430.00	1,363.00
	Vipul P. Shah	214.00	2,864.00
	Priyanshu A. Shah	(105.00)	489.00
Contract for Processing of Diamonds	Shah Manufacturers	3,180.81	(10.18)
Sale of Jewellery / Sale of Services	Sujata V. Shah	289.52	Nil
	Sweta D. Shah	6.86	Nil
	Rahil V. Shah	181.90	Nil

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

a) Defined Contribution Plan

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

(Rs. in Lacs)

PARTICULARS	AMOUNT
Employers Contribution to Provident Fund & Family Pension Fund	192.91
Employers Contribution to Employees State Insurance Scheme	28.23
Employers Contribution to Labour Welfare Fund	0.62

b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2016 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, 2015	
a) Present value of the obligation as beginning of the year	566.88
b) Current Service Cost	46.63
c) Interest Cost	45.12
d) Benefit Paid	(29.86)
e) Actuarial (gain)/loss on obligation	207.58
f) Present value of obligation as at end of the year	836.35
II) Change in fair value of Plan Assets	
a) Present value of the Plan Assets at the beginning of the year	385.12
b) Expected return on Plan Assets	30.66
c) Contribution	104.66
d) Benefit Paid	(29.86)
e) Actuarial gain/(loss) on Plan Assets	4.21
f) Present value of Plan Asset at the end of the year	494.79
g) Actual return on Plan Assets	34.87
III) Component of Employee Cost recognized in Profit & Loss Statement	
a) Interest Cost	45.12
b) Current Service Cost	46.63
c) Expected return on Plan Assets	(30.66)
d) Actuarial (gain) / loss	203.38
e) Expenses recognized in Profit & Loss Statement	264.47
IV) Reconciliation of Present value of obligation and fair value of Plan Assets	
a) Present value of obligation at the end of the year	(836.35)
b) Fair Value of Plan Assets at the end of the year	494.79
c) Difference	(341.56)
d) Amount Recognized in the Balance Sheet	(341.56)
V) Actuarial Assumptions	[%]
a) Discount Rate	8.08 %
b) Expected rate of return on Assets	8.08 %
c) Future salary escalation	5.00%
d) Attrition rate	2.00%

33. SEGMENT WISE REPORTING - REVENUE, RESULT AND CAPITAL EMPLOYED

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Description		
1. Segment – Revenue		
Diamonds	2,20,371.56	2,08,072.76
Jewellery	30,339.47	34,487.11
Others	677.64	601.00
Total	2,51,388.67	2,43,160.86
Less: Inter Segment Revenue / Transfer	14,075.44	15,709.46
Net Sales / Revenue	2,37,313.23	2,27,451.39
2. Segment Results		
Profit / Loss) before Tax and Interest from each segment		
Diamonds	6,663.42	6,707.21
Jewellery	768.98	993.22
Others	164.01	98.72
Total	7,596.41	7,799.15
Less:		
I) Finance Costs	1,722.57	2,225.80
II) Exceptional Item (Gain) / Loss	85.73	(568.98)
III) Other un – allocable expenses	-	-
Total Profit Before Tax	5,788.11	6,142.33
3. Capital Employed		
Diamonds	41,192.20	38,483.52
Jewellery	7,792.04	6,903.74
Other	4,765.16	4,743.11
Unallocated Net Assets	-	-
Total Capital Employed	53,749.40	50,130.37

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	1,20,945.79	34,544.92
USA	22,889.91	5,819.58
Europe	23,185.58	5,764.41
Others	3,044.25	509.39
	170,065.53	46,638.30
2. Local	67,058.62	16,710.27
Total	2,37,124.15	63,348.57

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	2015-2016	2014-2015
Profit After Tax (Rs. in Lacs)	3,859.13	4,321.08
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.)	24.11	27.00

35. CORPORATE SOCIAL RESPONSIBILITY (CSR):

- a) Gross amount required to be spent during the year : Rs. 110.14 Lacs
b) Amount spent during the year :

(Rs. in Lacs)

SR. NO.	PARTICULARS	IN CASH	YET TO BE PAID IN CASH	TOTAL
(i)	Construction / acquisition of any asset	NIL	NIL	NIL
(ii)	On purposes other than above	34.00	NIL	34.00

(Rs. in Lacs)

SR. NO.	PARTICULARS	2015-2016	2014-2015
36	Value of imported and indigenous consumption – Raw Material		
	• Imported Raw material	97,252.92	1,33,476.15
		60.02%	71.28%
	• Indigenous Raw material	64,777.81	53,781.22
		39.98%	28.72%
	Total	1,62,030.73	1,87,257.37
37	Finance Costs charged to Profit & Loss Statement is net of Interest received	955.96	901.39
38	Value of Import on CIF Basis - Raw Materials	84,981.66	1,47,247.07
39	Expenditure in Foreign Currency		
	Foreign Traveling	32.83	15.96
	Repairs & Maintenance	18.67	18.14
	Advertisement	8.73	7.74
	Manufacturing Expenses	Nil	37.25
	Donation	Nil	32.78
	Membership & Subscription	13.17	6.10
40	Earning in Foreign Exchange		
	FOB value of Exports	1,73,686.72	1,62,935.59
41	Gain/(Loss) on Exchange Fluctuation as recognised in Profit & Loss Statement (net)	(10,074.29)	(11,007.29)
42	Breakup of remuneration paid to Managing / Wholetime Directors		
	a. Salary	480.00	447.50
	b. Contribution to Provident & other Fund	0.22	0.17
	The Company has been advised that the computation of net profit pursuant to section 198 of the Companies Act, 2013 need not be enumerated since no commission has been paid to directors.		
43	Auditors Remuneration		
	Statutory Audit	5.17	5.06
	Certification Fees	0.58	0.56
	Others	2.17	1.99
	Total	7.92	7.61

44. 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 LLP
Chartered Accountants
FRNo: 112787W / W100073

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155

APARNA SHINDE
Company Secretary

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

VIPUL P. SHAH
CEO & Managing Director
DIN - 00004746

Place : Mumbai
Dated : May 19, 2016

Place : Mumbai
Dated : May 19, 2016

Place : Mumbai
Dated : May 19, 2016

Place : Mumbai
Dated : May 19, 2016

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To The Members of Asian Star Company Limited

Report on the Consolidated Financial Statements

We have examined the accompanying consolidated financial statements of ASIAN STAR COMPANY LIMITED, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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 (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

a) We did not audit the financial statements / financial information of 3 subsidiaries, and NIL jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. 57,919 Lacs as at 31st March, 2016, total revenues of Rs. 100,159 Lacs and net cash flows amounting to Rs. 23,272 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. NIL for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of NIL associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the holding company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on the financial position in its financial statements. Refer Note 29 to its financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in respect of such items as it relates to the Group, its associates and jointly controlled entities and the Group's share of net profit/loss in respect of its associates.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo : 112787W / W100073

JINESH J. SHAH
Partner
Membership No. 111155

Place : Mumbai
Date : May 19, 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Asian Star Company Limited ("The Company"), as of 31st March, 2016 in conjunction with our audit of consolidated financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo : 112787W / W100073

JINESH J. SHAH
Partner
Membership No. 111155

Place : Mumbai
Date : May 19, 2016

ASIAN STAR COMPANY LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,600.68		1,600.68	
Reserves and Surplus	2	68,886.28		61,273.20	
			70,486.96		62,873.88
Non-Current Liabilities					
Long-Term Borrowings	3	5,237.80		4,680.80	
Deferred Tax Liabilities (Net)	4	2,071.53		2,223.81	
Long-Term Provisions	5	6,889.25		4,709.08	
			14,198.58		11,613.69
Current Liabilities					
Short-Term Borrowings	6	1,07,258.08		85,832.63	
Trade Payables	7	30,767.29		28,399.04	
Other Current Liabilities	8	924.09		9,709.13	
Short-Term Provisions	9	2,470.53		2,347.20	
			1,41,419.99		1,26,288.00
TOTAL			2,26,105.53		2,00,775.57
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	10	15,640.39		16,518.71	
Intangible Assets	10	-		6.61	
Capital Work-In-Progress		2,931.19		2,691.28	
			18,571.58		19,216.60
Long-term Loans and Advances	11	908.41		706.10	
Other Non-Current Assets	12	6,738.13		4,735.12	
			7,646.54		5,441.22
Current Assets					
Current Investments	13	88.96		129.48	
Inventories	14	44,891.94		60,156.46	
Trade Receivables	15	86,727.49		87,972.51	
Cash and Cash Equivalents	16	46,418.30		22,430.96	
Short-Term Loans and Advances	17	21,760.72		5,428.34	
			1,99,887.41		1,76,117.75
TOTAL			2,26,105.53		2,00,775.57
Significant Accounting Policies Notes on Financial Statements	1 to 37				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo: 112787W / W100073

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place : Mumbai
Dated : May 19, 2016

APARNA SHINDE
Company Secretary
Place : Mumbai
Dated : May 19, 2016

DINESH T. SHAH
Chairman & CFO
DIN - 00004685
Place : Mumbai
Dated : May 19, 2016

VIPUL P. SHAH
CEO & Managing Director
DIN - 00004746
Place : Mumbai
Dated : May 19, 2016

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 (Rs. in Lacs)

PARTICULARS	NOTE	2015-2016		2014-2015	
Revenue From Operations	18	3,30,083.12		3,22,126.17	
Other Income	19	25.71		164.68	
Total Revenue			3,30,108.83		3,22,290.85
EXPENSES:					
Cost of Materials Consumed	20	1,67,680.84		1,92,785.73	
Purchases of Stock-in-Trade		1,08,844.37		1,02,206.42	
Changes In Inventories of Work-In-Progress, Finished Goods & Stock-in-Trade	21	13,945.21		(17,166.40)	
Employee Benefits Expense	22	5,404.91		4,533.42	
Finance Costs	23	1,977.18		2,686.42	
Depreciation and Amortization Expense		1,472.99		1,610.80	
Other Expenses	24	21,406.32		26,070.67	
Total Expenses			3,20,731.82		3,12,727.06
Profit Before Exceptional Items & Tax			9,377.01		9,563.79
Exceptional Items Income / (Loss)	25		(84.78)		569.22
Profit Before Tax			9,292.23		10,133.01
Tax expense					
Current Tax			2,189.29		2,061.74
Deferred Tax			(152.28)		(124.35)
Profit After Tax			7,255.22		8,195.62
Earnings Per Equity Share:					
Basic and Diluted (In Rs.)			45.33		51.20
Significant Accounting Policies Notes on Financial Statements	1 to 37				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES LLP
Chartered Accountants
FRNo: 112787W / W100073

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155
Place : Mumbai
Dated : May 19, 2016

APARNA SHINDE
Company Secretary
Place : Mumbai
Dated : May 19, 2016

DINESH T. SHAH
Chairman & CFO
DIN-00004685
Place : Mumbai
Dated : May 19, 2016

VIPUL P. SHAH
CEO & Managing Director
DIN-00004746
Place : Mumbai
Dated : May 19, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 (Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary items	9,292.23	10,133.01
Adjustment for		
Depreciation	1,472.99	1,610.80
Preliminary Expenses	0.12	0.15
Finance Costs	1,977.18	2,686.42
Unrealised Foreign Exchange (Gain) / Loss	(918.21)	172.23
Dividend Received	(1.79)	(0.02)
(Profit) / Loss on Sale of Fixed Assets	84.78	(569.22)
(Profit) / Loss on Sale of Investments	2.59	0.00
Diminution in value of Investments	63.60	0.00
Wealth Tax	2.76	3.78
Operating Profit Before Working Capital Changes	11,976.25	14,037.13
Adjustment for		
Receivables	654.92	(12,677.23)
Inventories	15,264.52	(14,973.63)
Loans & Advances	(16,662.02)	7,895.74
Current Liabilities	(5,965.46)	22,930.69
Cash generated from / (used in) Operations	5,268.21	17,212.70
Taxation	(1,999.60)	(2,032.28)
Net cash from / (used in) Operating Activities	3,268.61	15,180.42
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (Includes Capital Work in Progress)	(947.69)	(2,172.87)
Sale of Fixed Assets	34.95	709.81
Purchase / Increase of Investments	(30.86)	0.00
Dividend Received	1.79	0.02
Sale / Decrease of Investments	5.18	0.00
Net Cash from / (used in) Investing Activities	(936.63)	(1,463.04)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	557.00	(1,137.25)
Short Term Borrowings	22,664.06	(9,159.97)
Finance Costs	(1,977.18)	(2,686.42)
Dividend Paid	(240.10)	(240.10)
Tax on Dividend	0.00	(40.81)
Net cash from / (used in) Financing Activities	21,003.78	(13,264.55)
Increase / (Decrease) in Translation of Consolidation	651.58	368.18
Net Increase / (Decrease) in Cash & Cash Equivalents	23,987.34	821.01
Cash & Cash Equivalents as at 1st April (Opening)	22,430.96	21,609.95
Cash & Cash Equivalents as at 31st March (Closing)	46,418.30	22,430.96

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES LLPChartered Accountants
FRNo: 112787W / W100073

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155Place : Mumbai
Dated : May 19, 2016**APARNA SHINDE**
Company SecretaryPlace : Mumbai
Dated : May 19, 2016**DINESH T. SHAH**
Chairman & CFO
DIN-00004685Place : Mumbai
Dated : May 19, 2016**VIPUL P. SHAH**
CEO & Managing Director
DIN-00004746Place : Mumbai
Dated : May 19, 2016**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, 2013.

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 is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 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 statement 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 statement.

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 statement 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. Investments

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 cost.

L. Employee Benefits**L1. Short Term Employee 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 Asian Star Company Ltd. & Asian Star Jewels Private Ltd., are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administrated and managed by the Government of India. In addition some employees of the company are covered under Employees State Insurance Scheme Act, 1948, which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in profit and loss statement during the period in which the employee renders the related services. These companies have no further obligation under these plans 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 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. 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 statement and Balance Sheet of the Company and its subsidiaries.
- (iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statement as Goodwill or Capital Reserve as the case may be.
- (iv) The effects of inter-company transactions between consolidated companies are eliminated in consolidation.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs. 10 each	2,500.00	2,500.00
4,00,00,000 (4,00,00,000) Redeemable Cumulative Preference Shares of Rs. 10 each	4,000.00	4,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each	1,600.68	1,600.68
Total	1,600.68	1,600.68

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, 2016		AS AT MARCH 31, 2015	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vipul Prabodh Shah	40,00,050	24.99	40,00,050	24.99
Arvind Tarachand Shah	15,84,450	11.25	15,84,450	11.25
Priyanshu Arvind Shah	12,15,450	9.90	12,15,450	9.90
Rasila Arvind Shah	12,00,000	7.59	12,00,000	7.59
Dharmesh Dinesh Shah	11,50,000	7.50	11,50,000	7.50
Nirmala Dinesh Shah	18,00,000	7.18	18,00,000	7.18
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
Total	1,19,50,000	74.66	1,19,50,000	74.66

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

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Equity shares at the beginning of the year	1,60,06,800	1,60,06,800
Equity shares at the end of the year	1,60,06,800	1,60,06,800

2. RESERVES & SURPLUS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Capital Reserves		
As per Last Balance Sheet	294.50	294.50
Capital Redemption Reserve		
As per Last Balance Sheet	1,986.44	1,986.44
General Reserves		
As per Last Balance Sheet	13,413.37	13,213.37
Add : Transferred from Surplus Account	200.00	200.00
	13,613.37	13,413.37
Surplus Account		
As per last Balance Sheet	44,696.18	37,346.80
Add:		
Profit for the Year	7,255.22	8,195.62
Tax on Proposed Dividend of last year reversed	50.24	-
	52,001.64	45,542.42
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	50.24	50.24
Gratuity liability for last year	53.62	-
Adjustment relating to Fixed Assets	-	217.58
Provision for Tax of Earlier Years	-	138.32
	543.96	846.24
	51,457.68	44,696.18
Translation Reserve	1,534.29	882.71
Total	68,886.28	61,273.20

3. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Unsecured Loans		
Loan from Related Party- Directors	5,237.80	4,680.80
Total	5,237.80	4,680.80

4. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Deferred Tax Liability on account of:		
Depreciation	2,139.95	2,403.59
Less: Deferred Tax Asset write back on account of change in estimated useful life of Assets	-	111.36
(A)	2,139.95	2,292.23
Deferred Tax Asset on account of:		
Provision for Doubtful Debts	8.50	8.50
Gratuity Liability	59.92	59.92
(B)	68.42	68.42
Deferred Tax Liability - Net	(A-B) 2,071.53	2,223.81

5. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Provision for Employee Benefits		
Provision for Gratuity	416.32	181.75
Others		
Taxation	6,472.93	4,527.33
Total	6,889.25	4,709.08

6. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Secured Loans		
Working Capital Loan from Banks	83,664.03	85,832.63
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Mortgage of Premises at Mumbai, Surat & Dubai		
d. Guaranteed by some of the Directors in their personal capacity		
A	83,664.03	85,832.63
Unsecured Loans		
Loan from Others	23,594.05	-
B	23,594.05	-
Total	1,07,258.08	85,832.63

7. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Creditors for Goods		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	29,585.27	27,547.99
Creditors for Processing		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	1,182.02	851.05
Total	30,767.29	28,399.04

8. OTHER CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Unclaimed Dividend	0.25	0.24
Other Payables *	923.84	9,708.89
Total	924.09	9,709.13

* Includes statutory dues and payable for expenses / services

9. SHORT TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Employee Benefits		
Leave Encashment (unfunded)	5.06	4.38
Others		
Proposed Dividend	240.10	240.10
Tax On Dividend	50.24	50.24
Provision for Taxation	2,175.13	2,052.48
Total	2,470.53	2,347.20

10. FIXED ASSETS

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At April 1, 2015	For The Year	Adjustments upon adoption of Schedule II	Deductions	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015
Tangible Assets											
Land	774.81	-	-	774.81	-	-	-	-	-	774.81	774.81
Office Premises	3,248.33	-	-	3,248.33	591.02	61.89	-	-	652.91	2,595.42	2,657.31
Factory Premises	2,336.32	2.73	-	2,339.05	369.65	87.54	-	-	457.19	1,881.86	1,966.67
Plant & Machinery	13,469.64	544.92	23.53	13,991.03	4,432.92	848.32	-	15.69	5,265.55	8,725.48	9,036.72
Vehicles	593.17	75.96	8.91	660.22	267.07	74.35	-	5.43	335.99	324.23	326.10
Furniture & Fixtures	1,297.97	21.37	-	1,319.34	636.55	169.29	-	-	805.84	513.50	661.42
Office Equipments	1,939.84	43.60	182.50	1,800.94	958.57	151.93	-	74.09	1,036.41	764.53	981.27
Computer	584.29	19.21	-	603.50	469.88	73.06	-	-	542.94	60.56	114.41
Intangible Assets											
Computer Software	14.25	-	-	14.25	7.64	6.61	-	-	14.25	-	6.61
CURRENT YEAR	24,258.62	707.79	214.94	24,751.47	7,733.30	1,472.99	-	95.21	9,111.08	15,640.39	16,525.32
PREVIOUS YEAR	23,326.71	1,168.19	236.28	24,258.62	5,889.26	1,610.80	318.49	85.25	7,733.30	16,525.32	17,437.45

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

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Capital Advances	570.49	445.26
Security Deposits	337.92	260.84
Total	908.41	706.10

12. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Advance Tax	6,691.72	4,694.99
Deposits With Others	45.93	39.53
Preliminary Expenditure	0.48	0.60
Total	6,738.13	4,735.12

13. CURRENT INVESTMENTS

(Rs.in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Investments in Equity		
Unquoted, fully paid up		
Ratnakar Bank Limited (28,000 (Nil) Shares of Rs. 10 each)	30.86	-
A	30.86	-
Quoted, fully paid up		
Classic Diamond (India) Ltd. 716 (5,000) Shares of Rs. 2 each	0.67	4.70
Flawless Diamond (India) Ltd. 100 (100) Shares of Re. 1 each	0.01	0.01
Gitanjali Gems Ltd. Nil (1,000) Shares of Rs. 10 each	-	2.20
Golddiam International Ltd. Nil (1,000) Shares of Rs. 10 each	-	0.97
Golkunda Diamond & Jewellery Ltd. Nil (10) Shares of Rs. 10 each	-	0.01
Parekh Platinum Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Rajesh Exports Ltd. Nil (600) Shares of Re. 1 each	-	0.52
S.B. & T International Ltd. Nil (10) Shares of Rs. 10 each	-	0.01
Shantivijay Jewels Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shrenuj & Co. Ltd. 2,000 (2,000) Shares of Rs. 2 each	0.44	0.44
Winsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.56	0.56
Vaibhav Global Ltd. Nil (10) Shares of Rs. 10 each	-	0.03
Zodia JRD MKJ Ltd. Nil (10) Shares of Rs. 10 each	-	0.01
Tribhovandas Bhimji Zaveri Ltd. 1,00,000 (1,00,000) Shares of Rs. 10 each	120.00	120.00
B	121.70	129.48
A+B	152.56	129.48
Less: Adjustment to carrying amount of Investments	(63.60)	-
Total	88.96	129.48
Aggregate amount of quoted investments	121.70	129.48
Market Value of quoted investments	58.10	149.43
Basis of Valuation - at cost or market value whichever is lower		

14. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Raw Materials	17,228.09	18,551.67
Work-in-Progress	3,484.61	2,953.41
Finished Goods & Stock-in-Trade	24,139.07	38,615.48
Consumables	40.17	35.90
(As verified, valued and certified by a Director)		
Total	44,891.94	60,156.46

15. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
Unsecured				
Over six months from due date				
Considered Good	989.02		1,594.45	
Considered Doubtful	24.71		49.71	
	1,013.73		1,644.16	
Less: Provision for Doubtful Debts	24.71		49.71	
		989.02		1,594.45
Others				
Considered Good		85,738.47		86,378.06
Total		86,727.49		87,972.51

16. CASH AND BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Balances with Banks	33,640.05	11,629.90
Fixed Deposits with Banks	12,728.52	10,744.02
Cash on hand	49.73	57.04
Total	46,418.30	22,430.96

- Balance with banks include unclaimed dividend of Rs. 0.25 Lacs (For F.Y. 2014-15 it was Rs. 0.24 Lacs) & unclaimed fractional entitlement Rs. 0.17 Lacs (For F.Y. 2014-15 it was Rs. 0.17 Lacs).

- Fixed Deposits with banks include deposits of Rs. 226.47 Lacs (For F.Y. 2014-15 it was Rs. 746.70 Lacs) with maturity of more than 12 months.

- Fixed Deposits with banks includes deposits of Rs. 620.30 Lacs (For F.Y. 2014-15 it was Rs. 573.75 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, 2016	AS AT MARCH 31, 2015
Advance Tax	2,104.03	2,102.58
LOANS & ADVANCES OTHERS*		
Unsecured, considered good	19,656.69	3,325.76
Total	21,760.72	5,428.34

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

18. REVENUE FROM OPERATIONS

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Sale of Products	3,29,589.18	3,21,779.79
Sale of Services	493.94	346.38
Total	3,30,083.12	3,22,126.17

18.1 PARTICULARS OF THE SALE OF PRODUCTS

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Diamond	2,87,106.62	2,74,490.67
Jewellery	41,994.00	46,698.76
Power- Windmill	488.56	590.36
Total	3,29,589.18	3,21,779.79

19. OTHER INCOME

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Interest Income	50.12	120.39
Dividend Income	1.79	0.02
Net gain / (loss) on Sale of Investments	(2.59)	-
Provision for Diminution in value of Investment	(63.60)	-
Miscellaneous Receipts	39.99	44.27
Total	25.71	164.68

20. COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Stock at the Commencement	18,551.67	20,744.88
Purchases during the year	1,66,357.26	1,90,592.52
	1,84,908.93	2,11,337.40
Less: Stock at the Close	17,228.09	18,551.67
Total	1,67,680.84	1,92,785.73

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

(Rs. in Lacs)

PARTICULARS	2015-2016		2014-2015	
Variation in Stock of Work-in-Progress				
Stock at the Commencement	2,953.41		2,833.91	
Less: Stock at the Close	3,484.61	(531.20)	2,953.41	(119.50)
Variation in Stock of Finished Goods				
Stock at the Commencement	35,078.43		15,694.65	
Less: Stock at the Close	22,874.37	12,204.06	35,078.43	(19,383.78)
Variation in Stock-in-Trade				
Stock at the Commencement	3,537.05		5,873.93	
Less: Stock at the Close	1,264.70	2,272.35	3,537.05	2,336.88
Total		13,945.21		(17,166.40)

22. EMPLOYEE'S EMOLUMENTS

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Salary & Bonus	3,432.90	2,875.49
Director's Remuneration	368.19	447.50
Wages	902.92	757.58
Gratuity	287.11	70.54
Ex Gratia & Leave Encashment	86.25	68.81
Labour Welfare Fund Expenses	0.74	3.79
Contribution to Provident Fund	227.89	176.70
Insurance	24.47	55.83
Contribution to E.S.I.C.	35.10	35.52
Staff Welfare Expenses	39.34	41.66
Total	5,404.91	4,533.42

23. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
Interest Expense	1,604.82	2,254.19
Other Borrowing Costs	372.24	427.72
Other Interest *	0.12	4.51
Total	1,977.18	2,686.42

* Includes interest on late payment of Service Tax.

24. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2015-2016		2014-2015	
Manufacturing Expenses				
Processing Expenses	15,898.65		20,288.51	
Electricity, Power & Fuel	478.69		442.83	
Consumables	285.67		386.22	
Factory Expenses	290.81		139.17	
		16,953.82		21,256.73
Administrative / Selling & Distribution Expenses				
Bank Comission & Charges	265.16		285.53	
Electrical Charges	142.27		146.56	
Telephone, Internet and Fax Charges	102.28		103.97	
Local Travelling and Conveyance	85.86		69.48	
Legal & Professional fees	267.33		220.82	
Audit Fees	9.73		10.38	
Printing & Stationery	62.65		51.91	
Repairs & Maintenance (Other)	111.89		102.01	
Repairs & Maintenance (Building)	3.44		15.75	
Repairs & Maintenance (Plant & Machinery)	141.33		147.41	
Repairs & Maintenance (Windmill)	196.24		187.07	
Postage and Courier	65.28		64.95	
Bad Debts (Net of Recovery)	41.18		39.69	
Provision for Doubtful Debts	-		49.71	
Rates & Taxes	29.40		32.94	
Provision for Doubtful Debt Written back	(25.00)		-	
Motor Car Expenses	62.61		58.94	
Insurance Premium	358.17		281.30	
Rent & Compensation	282.85		247.91	
Donation	15.51		27.16	
CSR Expenditure	34.50		106.19	
Office Canteen Expenses	76.16		75.59	
Office Expenses	40.94		30.70	
Director's Sitting Fees	1.57		1.73	
Sundry Expenses	99.51		119.80	
Security Charges	65.65		65.75	
Registration & Filing Charges	1.20		65.83	
Wealth Tax	2.76		3.78	
Membership and Subscription	42.48		17.38	
Service Tax- Swachh Bharat Cess	0.26		-	
Preliminary Exp Written Off	0.12		0.15	
Exchange (Gain)/Loss on Transtation	187.57		186.99	
Advertisement	62.67		88.85	
Sales Expenses	242.72		181.52	
Entertainment Expenses	109.89		123.52	
Foreign Travelling	264.15		238.72	
Commission on Sales	208.44		196.75	
Re-Assortment Charges	21.21		28.26	
Freight & Clearing Charges	311.83		244.66	
Agency Charges	19.12		18.59	
E.C.G.C. Premium	237.05		175.32	
Diamond Grading Charges	149.01		659.25	
Packing Expenses	55.51		41.12	
		4,452.50		4,813.94
Total		21,406.32		26,070.67

25. EXCEPTIONAL ITEMS INCOME / (LOSS)

(Rs. in acs)

PARTICULARS	2015-2016	2014-2015
Net Gain/(Loss) on Sale of Assets	(84.78)	569.22
Total	(84.78)	569.22

26. 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. 5.93 crores (For F.Y. 2014-15 it was Rs 8.93 crores).

27. Derivative Instruments:

a) Derivative contracts entered into and outstanding as on 31st March, 2016.

i) For hedging currency related risk:

Forward / option contracts (net) for Purchases entered into by the Company and outstanding as on 31st March, 2016 amount to Rs. 66.21 crores (For F.Y.2014-15 forward / option contracts (net) for Sales was Rs. 867.12 crores).

ii) For Hedging commodity related risk:

Forward contracts for Sale of Gold and Purchase of Silver entered into by the Company and outstanding as on 31st March, 2016 covers 50 Kgs and 60 Kgs respectively. (For F.Y. 2014-15 it was for Sale of Gold 42 Kgs and Sale of Silver 210 Kgs).

b) Foreign currency exposure (net liability) that is not hedged by the derivative instruments as on 31st March, 2016, amount to Rs. 319.85 crores. (For F.Y.2014-15 it was Rs. 369.09 crores (net liability) .

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 MARCH 31, 2016	AS AT MARCH 31, 2015
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. a) The Company has disputed service tax liability of Rs.4.46 crores (For F.Y. 2014-15 it was Rs. 4.46 crores).

b) The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2014-15 it was Rs. 1.63 crores) in respect of Customs duty raised by Commissioner of Customs.

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

30. Related Party Disclosure for the year ended 31st March, 2016:

a) List of Related Parties and Relationships:

(A) Particulars of Enterprises controlled by the Company Name of Related Party	Relationship
Asian Star Company Ltd. (U.S.A.) Asian Star DMCC Asian Star Jewels Pvt. Ltd. Asian Star Trading (Hong kong) Ltd.	Wholly Owned Subsidiary Wholly Owned Subsidiary Wholly Owned Subsidiary Wholly Owned Subsidiary
(B) Particulars of Key Management Personnel Name of Related Party	Relationship
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	
(D) Particulars of Relatives of Key Management Personnel where there are transactions	
Sujata V. Shah Sweta D. Shah	

b) Transactions during the year with Related Parties:

(Rs. in Lacs)

PARTICULARS	NAME OF THE PARTY	VOLUME	AMOUNT OUTSTANDING AS ON 31.03.2016
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	14,000.46	3,393.27
	Asian Star Jewels Pvt. Ltd.	5,334.69	2,552.68
	Jewel Art (Unit-II)	20.51	20.51
Dividend Received	Asian Star DMCC	252.21	Nil
Investment in Subsidiary	Asian Star Co. Ltd.- (U.S.A.)	Nil	178.75
	Asian Star Trading (Hong kong) Ltd.	Nil	57.40
	Asian Star DMCC	Nil	12.00
	Asian Star Jewels Pvt. Ltd.	Nil	100.00
Loan Repaid by Subsidiary	Asian Star Jewels Pvt. Ltd.	160.00	405.41
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	7.21	Nil
Sale of Colour Stone	Asian Star Jewels Pvt. Ltd.	1.84	Nil
Directors' Remuneration	Dinesh T. Shah	125.00	Nil
	Arvind T. Shah	125.00	Nil
	Vipul P. Shah	125.00	Nil
	Priyanshu A. Shah	75.00	Nil
	Rahil V. Shah	30.00	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil
	Arvind T. Shah	0.96	Nil
	Dharmesh D. Shah	0.72	Nil
	Vipul P. Shah	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30.00
	Arvind T. Shah	Nil	30.00
	Dharmesh D. Shah	Nil	20.00
	Vipul P. Shah	Nil	30.00
Unsecured Loans Taken / (Repaid) -(Net)	Dinesh T. Shah	18.00	456.00
	Arvind T. Shah	Nil	65.80
	Dharmesh D. Shah	430.00	1,363.00
	Vipul P. Shah	214.00	2,864.00
	Priyanshu A. Shah	(105.00)	489.00
Contract for Processing of Diamonds	Shah Manufacturers	3,180.81	(10.18)
Sale of Jewellery / Sale of Services	Sujata V. Shah	289.52	Nil
	Sweta D. Shah	6.86	Nil
	Rahil V. Shah	181.90	Nil

31. During the year, Company has recognized the following amounts in the financial statements:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under: (Rs. in Lacs)

PARTICULARS	AMOUNT
Employers Contribution to Provident Fund & Family Pension Fund	227.89
Employers Contribution to Employees State Insurance Scheme	35.10
Employers Contribution to Labour Welfare Fund	0.74

b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2016 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, 2016	
a) Present value of the obligation at the beginning of the year	620.49
b) Current Service Cost	69.27
c) Interest Cost	45.12
d) Benefit Paid	(31.36)
e) Actuarial (gain)/Loss on obligation	207.58
f) Present value of obligation at the end of the year	911.11
II) Change in fair value of Plan Assets	
a) Present value of the Plan Assets at the beginning of the year	385.12
b) Expected return on Plan Assets	30.66
c) Contribution	106.15
d) Benefit Paid	(31.36)
e) Actuarial gain/(loss) on Plan Assets	4.22
f) Present value of Plan Asset at the end of the year	494.79
g) Actual return on Plan Assets	34.87
III) Component of Employee Cost recognized in Profit & Loss Statement	
a) Interest Cost	45.12
b) Current Service Cost	69.27
c) Expected return on Plan Assets	(30.66)
d) Actuarial (gain) / loss	203.37
e) Expenses recognized in Profit & Loss Statement	287.11
IV) Reconciliation of Present value of obligation and fair value of Plan Assets	
a) Present value of obligation at the end of the year	(911.11)
b) Fair Value of Plan Assets at the end of the year	494.79
c) Difference	(416.32)
d) Amount Recognized in the Balance Sheet	(416.32)
V) Actuarial Assumptions	
a) Discount Rate	8.08 %
b) Expected rate of return on Plan Assets	8.08 %
c) Future salary escalation	5.00 %
d) Attrition rate	2.00 %

32. SEGMENT REPORTING

(Rs. in Lacs)

PARTICULARS	2015-2016	2014-2015
1. Segment - Revenue		
Diamonds	3,01,182.06	2,90,200.13
Jewellery	42,487.94	47,045.14
Others	514.27	755.04
Total	3,44,184.27	3,38,000.31
Less: Inter Segment Revenue/ Transfer	14,075.44	15,709.46
Net Sales / Revenue	3,30,108.83	3,22,290.85
2. Segment Results		
Profit / (Loss) before Tax and Interest from each segment		
Diamonds	9,946.87	10,238.99
Jewellery	1,406.68	1,758.46
Others	0.64	252.76
Total	11,354.19	12,250.19
Less:		
I) Finance Costs	1,977.18	2,686.42
II) Exceptional Item (Gain) / Loss	84.78	(569.22)
III) Other un - allocable expenses	-	-
Total Profit Before Tax	9,292.24	10,133.01
3. Capital Employed		
Diamonds	56,527.00	49,610.61
Jewellery	9,542.96	8,520.16
Others	4,417.00	4,743.11
Total Capital Employed	70,486.96	62,873.88

(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. Gain / (loss) on exchange fluctuation as recognized in statement of profit and loss statement (net) for F.Y. 2015-16 is Rs. (10,157.41 Lacs) (for F.Y. 2014-15 it was Rs. (10,945.29 Lacs).

34. Earning Per Share

PARTICULARS	2015-2016	2014-2015
Profit After Tax (Rs. in Lacs)	7,255.22	8,195.62
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.)	45.33	51.20

35. Corporate Social Responsibility (CSR):

a) Gross amount required to be spent during the year :

(Rs. in Lacs)

SR. NO.	PARTICULARS	AMOUNT
(i)	By Holding Company	110.14
(ii)	By Subsidiaries	9.46
	Total	119.60

b) Amount spent during the year :

(Rs. in Lacs)

SR. NO.	PARTICULARS	IN CASH	YET TO BE PAID IN CASH	TOTAL
(i)	Construction / acquisition of any asset	NIL	NIL	NIL
(ii)	On purposes other than (i) above			
	By Holding Company	34.00	-	34.00
	By Subsidiaries	-	-	-
	Total	34.00	-	34.00

36. FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

	ASIAN STAR CO. LTD. USA		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	331.66	0.54	36.15	1.28	85.04	100.00
Reserves	2.93	194.19	219.94	14,317.83	3.20	212.09	1,808.77
Total Assets	67.08	4,449.43	449.99	29,577.43	360.18	23,892.11	9,094.59
Total Liabilities	67.08	4,449.43	449.99	29,577.43	360.18	23,892.11	9,094.59
Investments	-	-	-	-	-	-	-
Turnover/Total Income	263.04	17,280.38	1,220.84	80,202.70	39.43	2,590.54	12,148.48
Profit Before Taxation	0.67	43.77	48.05	3,156.88	1.06	69.65	439.83
Provision for Taxation	0.10	6.57	-	-	0.12	7.59	93.87
Profit After Taxation	0.57	37.20	48.05	3,156.88	0.94	62.06	345.96
Proposed Dividend	-	-	-	-	-	-	-
Country	U.S.A		U.A.E		Hong Kong		India

37. 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 LLP
Chartered Accountants
FRNo: 112787W / W100073

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155

Place : Mumbai
Dated : May 19, 2016

APARNA SHINDE
Company Secretary

Place : Mumbai
Dated : May 19, 2016

DINESH T. SHAH
Chairman & CFO
DIN: 00004685

Place : Mumbai
Dated : May 19, 2016

VIPUL P. SHAH
CEO & Managing Director
DIN: 00004746

Place : Mumbai
Dated : May 19, 2016

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

Miyar R. Nayak
Director

Neha R. Gada
Director

Company Secretary

Aparna Shinde

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

Bankers

Allahabad Bank

Axis Bank

Andhra Bank

Bank of India

Bank of Baroda

Bank of Maharashtra

Canara Bank

Central Bank of India

Corporation Bank

HDFC Bank

IDBI Bank

IndusInd Bank Ltd.

Kotak Mahindra Bank

Ratnakar Bank Ltd.

Syndicate Bank

Standard Chartered Bank

State Bank of Patiala

State Bank of Hyderabad

State Bank of Travancore

Auditors

V.A. Parikh & Associates LLP
Chartered Accountants

Registrar & Transfer Agents

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



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