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**Created by Nature** in its unique and inimitable way over millions of years, these rocks are truly a marvel and a mystery.

**Crafted by Men** after being mined with sheer tenacity, cut and polished with deft hands, these rocks get transformed into precious diamonds and then, into priceless jewellery.

And yet, these most wonderful array of dazzling diamonds set in glittering gold or platinum are still not complete in its beauty...

**...only when they are adorned by women, diamonds become truly beautiful!**

For over 45 years, Asian Star has been an integral and important part of women's mystical desire, fascination and attraction for diamonds. Our diamonds have been used to create the finest jewellery delighting women all over the world and adding to their inner radiance, making them even more beautiful. With our cuts and designs, with our craftsmanship and innovation, our diamonds speak the poignant and passionate language conveying lasting love and emotion at its eloquent and exquisite best for every woman.



**AT ASIAN STAR,  
EVERY DIAMOND  
IS AN EXPRESSION OF  
ETERNAL BEAUTY AND  
TIMELESS TRIBUTE  
TO WOMEN.**

# AG

## 2016-17 AT A GLANCE



### FINANCIAL HIGHLIGHTS

**TURNOVER**  
₹ 3,49,386  
LAKHS

**EBIDTA**  
₹ 12,871  
LAKHS

**PAT**  
₹ 6,613  
LAKHS

**EPS**  
₹ 41  
PER SHARE

**BOOK VALUE**  
₹ 525  
PER SHARE

### SEGMENT WISE REVENUE

**DIAMONDS**  
₹ 2,97,211  
LAKHS

**JEWELLERY**  
₹ 51,469  
LAKHS

**POWER**  
₹ 706  
LAKHS

**3**  
YEARS  
CONSOLIDATED  
FINANCIAL  
PERFORMANCE

	2016-17	2015-16	2014-15
TURNOVER	3,49,386	3,30,220	3,22,126
- DIAMONDS	2,97,211	2,87,244	2,74,491
- JEWELLERY	51,469	42,487	47,045
- POWER	706	489	590
EBIDTA	12,871	13,021	13,696
PAT	6,613	7,432	8,196
EPS (IN ₹)	41	46	51
BOOK VALUE (IN ₹)	525	489	443

IN ₹ LAKHS

## 21.1%

growth in jewellery driven by distinct jewellery collections customised to individual market trends and increased purchasing power.

### THE NETHERLANDS, MEXICO & POLAND

new inroads into these promising markets that are enjoying a positive momentum from increasing disposable incomes and renewed consumer confidence. We have already started working with some of the leading jewellery brands in these markets.

### NEW MARKETING ARM

in the Far East in South Korea that is emerging as a new growth market for polished diamonds.

### LAUNCHED CHIMERA

a collection showcasing new styles in illusion setting that enhance the look of diamonds with inspired designing and precise craftsmanship to create an illusion of size and sparkle that is far beyond reality.

## 293

rank in D&B's Top 500 Companies in 2017.

### CANADAMARK & AUSTRALIAN DIAMONDS

passed strenuous audits conducted by Dominion Diamonds and Rio Tinto Diamonds to become approved manufacturers of their diamond brands CANADAMARK AND AUSTRALIAN DIAMONDS respectively.



# CEO

## CEO AND MD'S MESSAGE



**“While the operating environment continues to remain challenging, our focussed strategy has ensured we deliver consistent performance”.**

**- Vipul P. Shah**

### DEAR SHAREHOLDERS,

2016 has indeed been an eventful year – one that will not be forgotten in a hurry. Two events that dominated global headlines were the surprise election of the republican candidate as the President of the USA and the unexpected result of the referendum in the UK to opt out of the European Union, popularly known as BREXIT. Both these events are bound to impact not only global geo-politics, but also economy in the years ahead.

Amidst these upheavals, the world economy continued to hover around the 3 percent growth mark. The US economy continued its positive momentum as confidence returned, while in China, the economy grew by 6.7 percent, marginally lower than 6.9 percent in 2015. The Indian economy continued to surge ahead with another year of over 7 percent growth in GDP. The demonetisation in the month of November 2016 affected growth across industries and sectors, but is expected to be a bold and decisive step in the right direction. GST is another such step that will create a unified market and level the playing field in days to come.

As far as the gems and jewellery industry is concerned, demand in the US remained mostly subdued though the holiday season elicited moderate response. In China, there was an overall decline in demand in 2016, but 2017 began positively with a strong Chinese New Year as the effects of the government's anti-corruption campaign on gold jewellery faded. This led to a rise in seasonal re-stocking demand, which in turn, led to recovery for most Indian cutters in the last quarter of the financial year after the initial shock of demonetisation. While there was a decline in consumer demand post demonetisation in India, festive sales in the month of October 2016 were robust due to attractive gold prices. On the supply side, most miners liquidated excess rough inventories of 2015 during the year and also ramped up production in 2017, leading to an output level similar to that of three years ago.

At Asian Star, we have been focussed on our long-term growth strategy: consolidating our edge in manufacturing, focussing on quality, leveraging design as a differentiator in diamond jewellery and expanding our global presence to cover new geographies. While the operating environment continues to remain challenging, our focussed strategy has ensured we deliver consistent performance.

For the year 2016-17, our Consolidated Turnover increased to ₹ 3,493.86 crore, up from ₹ 3,302.20 crore in the previous year, an increase of 5.8 percent. PAT for the year was ₹ 66.13 crore against a PAT of ₹ 74.32 crore in 2015-16. The moderate decline was due to pressure on prices as a result of challenging economy and market conditions.

Good corporate governance and financial discipline continue to remain firm pillars at Asian Star. We strictly monitor our working cycle and enjoy high ranking with our bankers. We are 293 in Dun & Bradstreet's Top 500 companies in 2017. Our uncompromising focus on quality has resulted in the Company becoming approved manufacturers of CANADAMARK and AUSTRALIAN DIAMONDS, which will go a long way in establishing us as an ethical and responsible diamantaire.

The outlook for business remains largely challenging, and yet, there are distinct signs of optimism. We are excited about further accelerating the growth momentum in our diamond jewellery business from an impressive 21 percent this year. Another interesting growth opportunity is in new and hitherto unexplored markets like The Netherlands, Mexico and Poland where we have already started working with leading jewellers. We have also started a new marketing arm in South Korea to focus on this fast emerging new growth hot-spot in Asia. As far as our diamond business is concerned, we remain cautiously optimistic and expect demand to pick up in the US and China.

I thank you for your continued support and assure you that we remain committed to delivering value for all our stakeholders.

Yours Sincerely,

**Vipul P. Shah**

CEO & Managing Director



# AU ABOUT US

The journey of Asian Star started with small but confident steps in 1971 with a modest cutting and polishing unit in Surat.

Taking rapid strides, the Company soon started building and developing its core strength – manufacturing. The Company focussed on acquiring size and scale, quickly gaining a reputation for fine makes and consistent quality. This formed the strong foundation that would support the Company’s ambitious plans ahead.

With firm pillars of manufacturing size and scale in place, Asian Star embarked on the next phase of its journey – to expand its scope. The Company built an extensive and enviable distribution network with a presence in major diamond hubs, reaching global customers and creating lasting relationships.

With its core strength in manufacturing and a global presence across key diamond centres, Asian Star continued with its impressive journey by becoming a public limited company in 1995 and then, getting listed on the Bombay Stock Exchange in 1996, becoming one of the first companies in the gems and jewellery space in India to become a public listed company.

In the latest leg of its journey, Asian Star began moving up the value-chain by setting up jewellery manufacturing units in Mumbai and Hosur with its first unit at SEEPZ in 2000, and foraying into retail in 2010 with a couture diamond boutique ex-factory Mumbai to cater to HNI customers.



Mumbai (Jewellery Manufacturing)

## FROM HUMBLE BEGINNING IN 1971, TODAY ASIAN STAR HAS:

- 1,00,000 sq. ft. cutting and polishing facility at Surat with over 2,200 employees
- Presence across the globe in major diamond hubs through its 22 marketing arms and subsidiaries
- Three jewellery manufacturing units covering 50,000 sq. ft.

Today, Asian Star has emerged as a truly global, vertically integrated diamond conglomerate.



Girdle Faceting



Diamond Assorting



Surat (Diamond Cutting & Polishing)



Computer Aided Designing (CAD)



Diamond Setting

## CORPORATE OBJECTIVE

### VISION

To be a world-class diamantaire enjoying sustainable growth; to maximise 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.

### CORE VALUES

Integrity, Partnership, Excellence, Responsibility, Unity



# OB

## OUR BUSINESS

### CUTTING AND POLISHING

The core business of Asian Star is cutting and polishing diamonds. The Company has a world-class manufacturing set-up in Surat and top craftsmen with exceptional skills. The state-of-the-art unit is regularly upgraded with latest technology and skill improvement training. The Company constantly invests in R&D to sustain its supremacy.

Asian Star is renowned for its expertise in delivering EX-EX-EX H & As cut and proprietary special cuts. The Company has developed the distinct ability to maintain quality consistency even in the smallest pointer sizes.

### DIAMOND JEWELLERY MANUFACTURING

Asian Star's diamond jewellery business has come a long way in fifteen years. Today, diamond jewellery manufactured by the Company is sold at the outlets of some of the top jewellery retailers and retail chains across the world. Flexibility and scalability of operations enable the Company to handle mass production as well as one-to-one customisation. The Company's forte is bridal and fashion diamond jewellery.

Asian Star's diamond jewellery is known for its designs. The Company has a young and talented product design and merchandising team that works closely with clients to create latest designs that match both evolving fashion trends as well as market requirements. The Company has been at the forefront of innovation in illusion settings to create lightweight jewellery that is both affordable as well as fashionable.

### JEWELLERY RETAILING

Asian Star has a couture jewellery boutique that caters to HNIs. At the boutique, a wide range of prêt diamond jewellery is available. The boutique also offers customised orders with jewellery design consultations for special occasions.

The Company hosts Rendezvous Luxe annually, a luxury event in Mumbai, showcasing exquisite craftsmanship and exclusive 'one-of-a-kind' masterpieces.

### POWER

Asian Star also has a modest presence with windmills in Maharashtra, Kerala and Tamil Nadu.

# GP

## GLOBAL PRESENCE

Asian Star is already present in all mature diamond markets in the world. The Company is steadily establishing its presence in the fast developing economies like China and India, and also exploring new and emerging markets to expand its footprint. It is also increasing its presence in the traditional non-diamond markets through sustained awareness initiatives with retailers.



### KEY STRENGTHS THAT DIFFERENTIATE US

- Vertically integrated business with world-class manufacturing set-up
- Strong marketing network with wide global presence
- Direct access to primary sources of rough
- Renowned 'Asian Star Make' and reputation as one-stop-shop
- In-house team of top designers and merchandisers
- Professionally managed with high degree of compliance and governance



### PEOPLE

3,693 Employees

### LISTING

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

As on 31st March 2017, Asian Star Co. Ltd. had a market capitalisation of ₹1068 crore.

# T&T TRANSPARENCY AND TRUST

## CREDIBILITY OF OUR DIAMONDS

Asian Star has a zero-tolerance policy towards conflict diamonds, in line with global diamond industry. The Company follows ethical sourcing of diamonds from top mining companies. A strong integrity of pipeline ensures comprehensive tracking and audit of diamonds from mine to market. The audits are conducted as per RJC (Responsible Jewellery Council) guidelines or as prescribed by mining companies. As a safe-guard against the growing concern of CVD or synthetic diamonds in the industry, the Company has testing machines in place to ensure no such diamonds enter the pipeline.



<sup>®</sup> SIGHTHOLDER™ is a trademark used under licence from The De Beers Group of Companies | <sup>™</sup> Trademarks owned by Dominion Diamond Corporation  
The ALROSA ALLIANCE logo is a trademark used under license From PJSC ALROSA | Select Diamantaire is a trademark of Rio Tinto London Limited, used under licence.



Asian Star has always laid highest emphasis on Transparency and Trust. As one of the few listed players in a sector that is largely unorganised, the Company has been at the forefront in setting high standards of compliance, governance and ethics.

## TRANSPARENCY

Asian Star maintains transparency in its operations and reporting. Every aspect of the operations of the Company is recorded and reported both to the management as well as to other stakeholders of the Company – from bankers to investors to shareholders. The Company regularly meets all stakeholders to continuously update and upgrade its efforts and ensure there is total transparency of information for each group. The Company firmly believes in true spirit of openness and comprehensive reporting of its business.

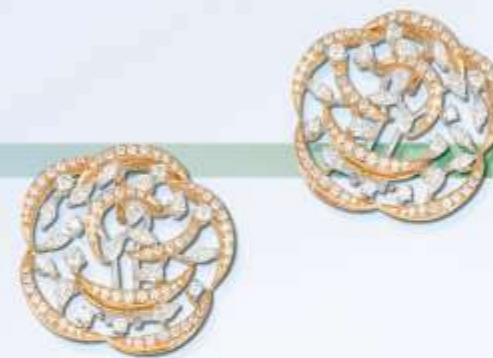
## PROFESSIONALLY MANAGED

Asian Star has been a company that has been under professional management since its inception. From manufacturing to marketing to quality control, every function and aspect of the business is managed by professionals with top qualifications and rich experience. The management has ensured an unwavering focus on strict compliance, and adherence to values and ethics. The management enjoys a high degree of independent decision making guided by well-defined goals and objectives. Every stakeholder need is clearly identified and addressed by the management through a framework of systems, policies and practices.



# BCD

## 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 has rich and varied experience in the banking industry. He has held offices as Executive D.G.M. of Overseas Operations Dept. with Corporation Bank and as G.M. CVO with United Bank of India. He is a renowned expert in financial matters.



**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 and Business Restructuring.



**MIYAR R. NAYAK**  
DIRECTOR

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



**RAHIL V. SHAH**  
EXECUTIVE DIRECTOR

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



**DHARMESH D. SHAH**  
DIRECTOR

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



**MILIND H. GANDHI**  
DIRECTOR

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

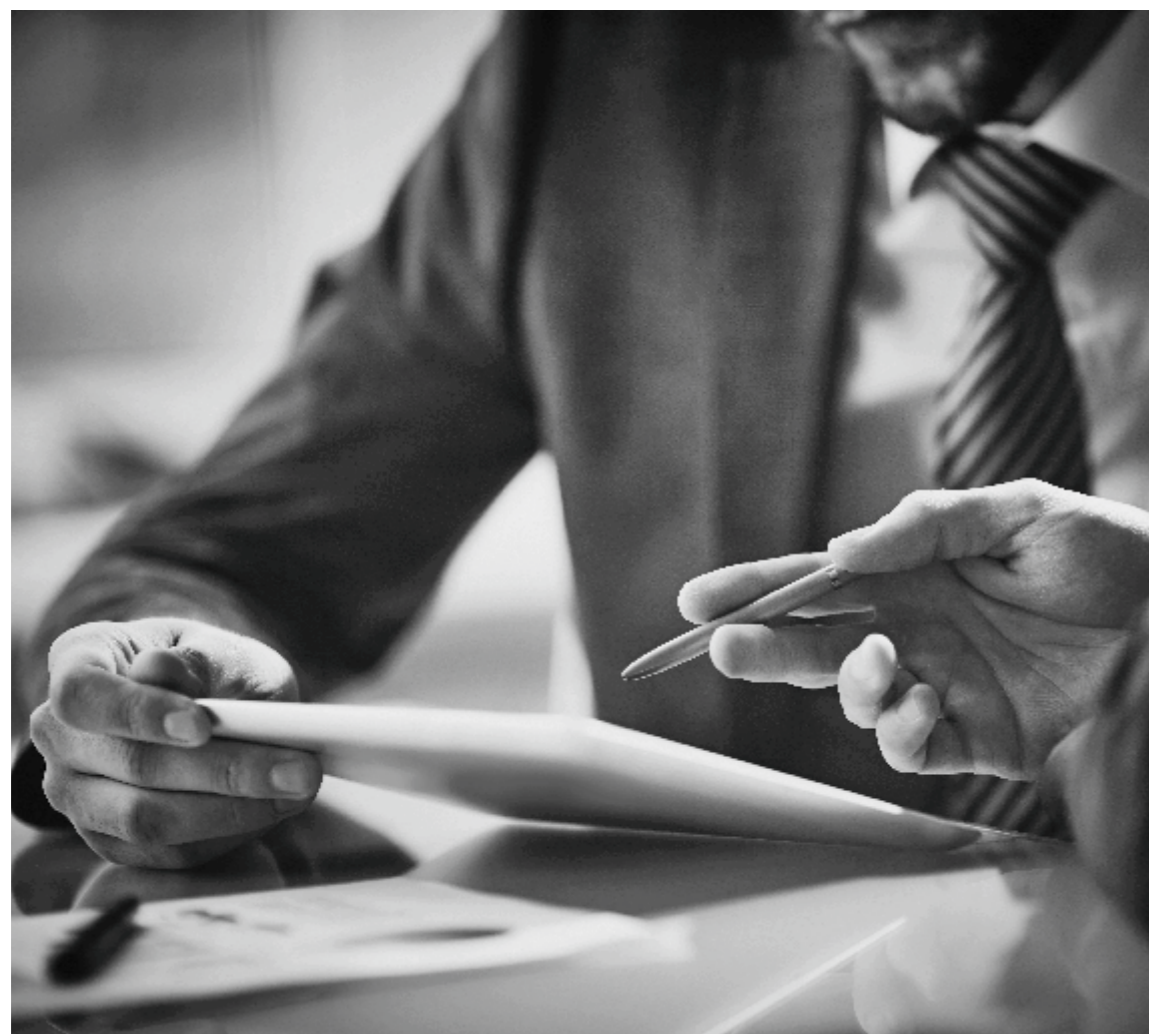


**NEHA R. GADA**  
DIRECTOR

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

# MDA

## MANAGEMENT DISCUSSION AND ANALYSIS



## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OVERVIEW

#### Global economy

Amidst challenging macro headwinds of unprecedented geopolitical upheavals, the world economy witnessed a flat growth in 2016 over 2015 at 3.1%. Economic activity gained momentum in the second half of 2016 with marked improvements in manufacturing and trade. Production of both consumer durables and capital goods rebounded. A number of factors contributed to these developments: a gradual global recovery in investment, particularly in infrastructure and real estate, strengthening of commodity prices, falling inventory levels and rising consumer demand.

Advanced economies grew at 1.7% in 2016 as against 2.1% in 2015. After several years of financial crisis and uncertainty the US economy witnessed strong revival since late 2016. Output has surpassed its pre-crisis peak by 10%, fiscal sustainability has been largely restored, corporate profitability has improved, employment gains have remained solid and wage growth has shown some signs of sustained increases. Growth also remained solid in the United Kingdom (UK), where spending proved resilient in the aftermath of the June 2016 referendum in favor of Brexit. Economic activity also surprised on the upside in euro area countries, such as Germany and Spain, as a result of strong domestic demand. Japan also witnessed robust net exports.

Growth in the Emerging Markets and Developing Economies (EMDEs) remained flat at 4.1% in 2016 versus 4.2% in 2015. China's growth sustained at 6.7% in 2016 versus 6.9% in 2015, despite high base, reflecting continued policy support from government with thrust on improving domestic consumer demand. India remained fastest growing economy, though the pace of the growth slowed down with GDP growth at 7.1% versus 7.9% in 2015. This was partly due to slow down in the economic activities post demonetization. In Brazil the economy remained mired in deep recession as it declined by 3.6% in 2016 as against 3.8% decline in 2015. Middle East economies recorded a sharp slowdown in 2016 amid public spending cuts, tightening liquidity and investor uncertainty.

With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world economic growth is projected to rise from 3.1% in 2016 to 3.5% in 2017 and then to 3.6% in 2018 as per IMF's world economic outlook.

Economic activity in advanced economies as a group is forecast to grow by 2.0% in 2017 and 2018. The US economy is projected to expand at a faster pace in 2017 and 2018, with growth forecast at 2.3% and 2.5% respectively. The stronger near-term outlook reflects the momentum from the second half of 2016, driven by a cyclical recovery in inventory accumulation, solid consumption growth, and the assumption of a looser fiscal policy stance. Recovery in the Euro area is expected to maintain similar

momentum in 2017 and 2018 as that achieved in 2016.

Growth amongst the EMDEs is forecast to rise to 4.5% and 4.8% respectively in 2017 and 2018. This projection is to a great extent based on, a stabilization or recovery in a number of commodity exporters, some of which underwent difficult times following the drop in commodity prices, and strengthening growth in India, partially offset by a gradual slowdown of the Chinese economy.

#### Indian economy

India's GDP grew at 7.1% in 2016-17 as against 7.9% in 2015-16. Though the pace of the growth has slowed down, it still continued to be one of the fastest growing major economies in the world. The Government's sustained focus on structural reforms, infrastructure development, agricultural and rural development, removal of labour regulations and improving ease of doing business has contributed to the country's strengthening fundamentals.

The year 2016-17 was marked by several significant economic policy decisions. Demonetization of higher denomination currency notes and passage of Goods and Service Tax (GST) - constitution amendment bill were two key measures taken during the year. GST to be implemented from July 1, 2017 is expected to have a positive impact on all the aspects of business operations. Simplification of tax structure and improvement in the GDP growth rate are amongst the major benefits of this historic reform.

According to IMF, GDP growth in India is expected to increase to 7.2% and 7.7% in 2017-18 and 2018-19 respectively, led by a recovery in private investments. India's growth is expected to remain resilient with inflation being low, fiscal prudence, contained current account deficit and benign commodity prices (especially crude). Policy actions are expected to boost financial stability via increasing capital buffers for PSUs, better targeting of subsidies and structure tax reforms along with implementation of Goods and Service Tax.

### INDUSTRY OVERVIEW

#### Global Gems and Jewellery Industry

The industry experienced a slow economic recovery in 2016 with momentum picking up towards end of the year. In the US, the world's largest market, jewellery demand fluctuated between mildly positive growth and slight declines as the presidential election took its toll on consumer confidence. Consumers in China, the world's second-largest market, continued to cut back on luxuries, sending the country's major jewellers into a second year of double-digit sales declines. While in India, strike by country-wide jewellers' during March-April 2016 impacted domestic business. As the industry was recovering from this setback, in came the demonetization shock, which adversely impacted production in the unorganized sector and rural demand.



However, since the beginning of 2017, the industry has shown signs of revival with rough diamond miners who focused on liquidating accumulated excess inventories in 2016 starting to ramp-up production to the high output levels recorded three years back. Further, with the revival of economic activities, demand is expected to be strong in the top three consuming countries—the US, China and India.

### The Indian Gems and Jewellery Industry

India's gem and jewellery industry is an integral part of its economy being one of the leading foreign exchange earners for the country. According to Gem & Jewellery Export Promotion Council (GJEPC), the gem and jewellery exports accounted for 15.7% of the country's cumulative exports of USD 275 bn. The sector grew to USD 43 bn as against USD 39 bn in 2015-16, up 10 percent. The imports of rough diamonds grew 21.6% in 2016-17 to USD 17 bn as compared to USD 14 bn in 2015-16. India has established itself as hub for cutting & polishing of diamonds and sourcing of jewellery. The sector provides employment to more than 4.5 mn people as per Gems and Jewellery Skill Council of India (GJSCI). In exports, cut and polished diamonds constitute the lion's share followed by gold and silver jewellery. Domestic demand is in favour of gold jewellery followed by diamond and platinum.

Major export destinations for the Gems & Jewellery Sector in 2016-17 were UAE with 32% share followed by Hong Kong at 30% share and the US at 23% share.

Looking at the potential of the Gems and Jewellery sector; the Government of India has taken various measures for the upliftment of the sector as a whole. It has been declared as a thrust area for export promotion, steps are being undertaken to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market, and most importantly the Indian government has also allowed 100% Foreign Direct Investment (FDI) in the sector through the automatic route.

### Cut and polished diamonds

The diamond cutting & polishing industry may be only 60 to 70 years old in India versus modern diamond market which emerged in 1866 with the discovery of diamonds in Kimberley, South Africa. But India has managed to establish its dominance in the global market. Today, 12 out of 14 diamonds sold in the world are polished or cut in India. Cut and polished diamonds contributed around 60 percent of India's overall exports of precious metals and stones in 2016-17. India provides the best solution in diamond processing in terms of cost, quality and timeline. Its favourable geographic location makes it a one-stop sourcing center for overseas buyers. As per GJEPC, India's gross exports of cut and polished diamonds have grown to USD 22.8 bn in 2016-17 from USD 20.7 bn in 2015-16.

### Jewellery

Jewellery manufacturing in India, which dates back over 2,000

years, is being given an impetus to enable India emerge as a leading exporter of gold and diamond jewellery in the world. The Government has assured all help to the Gems and Jewellery sector including skill development of artisans involved in jewellery manufacturing. The Government focuses on significantly increasing India's jewellery exports such that it accounts for more than 50% of the global jewellery exports market, which is presently dominated by manufacturers from Italy, Turkey, Germany and Hong Kong. One of the key issues in the industry is the high proportion of unorganized players. As a result, most of the jewellery shipped from India to wholesalers in international markets are unbranded products, who in turn enjoy larger share of margin by reselling these products at premium. The Government is backing the industry to promote branded products in international market

The Domestic market continues to witness a strong growth in the organized retail segment. Recently the Government has been tightening the rope on regulations on the sector making it a level playing field for both organized and unorganized players. Also, branded players are aggressively expanding their retail footprint luring customers with quality assurance, latest designs, wide range of products and unique retail experience. Organized players with strong financial base and customer centric approach are expected to increase their market share going forward.

### Outlook

Global economic activity is picking up with a long awaited cyclical recovery in investment, manufacturing, and trade. The growth is likely to be led by strengthening in commodity based countries, an acceleration of activity in India resulting from the implementation of important structural reforms; and a successful rebalancing of China's economy.

In India Investors' sentiment is very positive and confidence in the economy has been at unprecedented high level. Government's commitment to carry out structural reforms will give major fillip to the economy. Prediction of good monsoon, increase in public wages and pensions among others is likely to boost the domestic consumption. With projection of strong economic growth, India is expected to remain one of the fastest growing economy.

Indian Gems and Jewellery industry is set to continue its growth trajectory with tangible signs of revival in demand from major consuming centers led by the US. Having crossed the USD 40 bn mark in exports 2016-17 the government is working on Vision 2022, a strategy which will enable India to attain global leadership position in gems & jewellery in its 75th year of Independence. The strategic focus will be on growing exports to the level of USD 60 bn, training & education, employment generation, value addition and sustained marketing.

Outlook for the industry at domestic front is very positive with improved consumer confidence due to economic and political stability. Industry is witnessing structural changes in terms of

development in the organized sector and branding. Established brands are guiding the organized market and are opening opportunities to grow. In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands.

### COMPANY OVERVIEW

Asian Star (hereafter referred to as the Company) is a global diamond conglomerate headquartered in India, established more than four decades ago in 1971. Renowned as one of the leading diamantaires, its business spans across the value chain comprising diamond manufacturing, jewellery manufacturing and retailing. The global footprint and presence covers production, trading and consuming centres of the world - Chicago, New York, Antwerp, Dubai, Shanghai, Hong Kong, Bangkok, Singapore and Korea. More than 75 percent of the Company's turnover is generated from overseas markets. The Company, reputed for its quality and supply reliability, is the preferred partner for loose polished diamonds and jewellery to leading brands and retail chains across the globe. The Company enjoys direct supply arrangement of rough diamonds from leading mining companies in the world.

### Manufacturing Facility for Polished Diamond

The Company has technologically advanced manufacturing facility spread over 1 lac square feet in Surat (Gujarat, India), employing over 2,250 highly skilled artisans. The production team with over four decades experience in diamond cutting and polishing at this state-of-the-art facility is uniquely qualified to manage the complexities of diamond-cutting, and achieve optimal yield and best value for clients. The Company provides an extensive range of products in various sizes, shapes, colours and purities including customized proprietary cuts. The Company has been known for the consistency in its quality and cut, acknowledged as 'Asian Star Make' in the industry.

### Manufacturing Facility for Jewellery

The Company undertakes 100 percent in-house manufacturing of its diamond jewellery accomplished through its three manufacturing facilities which are equipped with a robust team of creative designers, skilled artisans, sophisticated infrastructure, and state-of-the-art equipment and technology. The jewellery manufacturing factories are spread over a combined area of 50,000 Sq.ft with annual production capacity of 7.5 lacs pieces. One unit in Mumbai caters to international markets and the other two (One each in Mumbai and Hosur) cater to domestic markets. The Company follows lean manufacturing process to deliver highest quality products at the most competitive costs.

### Distribution

The Company strives hard to satisfy its customers by providing the best technical and marketing services available in the industry. It provides differentiated services like specialized quality control programme, access to extensive design bank and

detailed information on market updates and global design trends. It also assists with customized designs as per evolving market needs. In order to be able to cater to the clients better, the Company has strategically created a presence across all major trading and consuming centres such as Asia, Europe and America through focused marketing approach. This has resulted in longstanding relationships with the world's leading brands and retailers.

### Retail

The Company operates in the niche jewellery retail segment catering exclusively to high net worth individual (HNI) customers. At its spacious and luxurious showroom couture diamond boutique, the Company offers a wide range of prêt diamond jewellery. It also undertakes customized requests with jewellery design consultations for special occasions, to suit the exact choice and preferences of its customers. The boutique also offers a wide range of ready studded jewellery, specially crafted keeping in mind the latest trends in fashion. The Company also hosts a luxury event every year - Rendezvous Luxe, a couture diamond jewellery extravaganza for Mumbai's elite. The design conceptualization for the collections at this event is theme-based deriving inspiration from varied sources such as history, nature, and art.

### FINANCIAL OVERVIEW

The global Gems and Jewellery industry saw initial signs of recovery in 2016-17. This coupled with pick-up in domestic jewellery sales witnessed post demonetization resulted in the Company's total income from operations at consolidated levels increasing to Rs. 3,501 crores in 2016-17 from Rs. 3,302 crores in 2015-16, up 6.03 %. The diamond business grew to Rs. 2,973 crores in 2016-17 from Rs. 2,872 crores in 2015-16, up 3.5%, aided by good volume off take. Jewellery business sales stood at Rs. 515 crores in 2016-17 as compared to Rs. 425 crores in 2015-16, a growth at 21%.

In terms of profitability, increase in costs and reducing margins especially in diamond segment had a significant bearing despite decent growth in sales. PAT (excluding exceptional items and comprehensive income) declined to Rs. 66 crores in 2016-17 compared to Rs. 74 crores in the previous year, down 12%. The consolidated networth of the Company strengthened to Rs. 840 crores at the end of the current financial year, up from Rs. 783 crores at the end of the previous year.

### OPPORTUNITIES

#### Rising demand in the US

In the global Gems and Jewellery industry, the US constitutes for more than 40 percent of the total demand. With the US presidential elections behind, the economic outlook has gained strength and the US consumers have started spending again. These factors will boost the demand for jewellery in the US market in 2017. Since the US jewellery market is fashion driven, jewellery purchases are at lower price point but very frequent



and directly proportional to rising disposable incomes. Fashion-conscious millennials further add momentum to jewellery sales as they prefer modern and contemporary jewellery collection over traditional estate jewellery.

#### Rise of e-commerce

E-commerce, social media and mobile trade are all exerting an enhanced influence on the international jewellery market. Growing demand for affordable jewellery through ecommerce channel, provides an attractive prospect for jewellers to increase penetration world-wide without the need of physical infrastructure. Since online players offer a wide variety to choose from, convenient doorstep delivery, multiple payment options and quality assurance along with return or replace options, consumers especially the millennials prefer online jewellery purchases over buying from traditional jewelers. While the global online fine jewellery market currently accounts for only a fraction i.e. 4 to 5 percent of the total global jewellery sales, it is expected to capture 10 percent of the market by 2020, as per Research and Markets. Online fashion jewellery sales are projected to take an even bigger slice, capturing 15 percent of the market by 2020, according to Connecting Dots. Online sales will enable the industry to increase its customer base and sales with negligible investment resulting in higher returns on investments

#### Domestic demand boosted by strong macro environment

Post demonetization, liquidity in the hands of the Indian consumer has improved giving buoyancy to luxury spends as well. In addition, implementation of seventh pay commission has increased disposable incomes. These factors coupled with re-introduction of monthly gold investment schemes by jewellers is giving a boost to the industry. The beginning of 2017 marked a great start for the jewellery industry driven by opportunistic buying by consumers and traders for festive and wedding season ahead of GST implementation, easing liquidity pressure, extended wedding season, better farm output and rising income levels. Government's tightening of regulations though act as speed breakers to jewellery sales, supports the cause of organized players. Recently the Government has imposed restriction on cash purchases over Rs. 3 lacs. Over time, consumers are expected to shift from cash to digital payments, and organized players should benefit from this trend. This change in market dynamics will result in more transparency and a better deal for consumers.

On the macro-economic front, investment demand is expected to pick up, supported by strong private consumption, monetary easing, increasing investments in infrastructure, public-private partnerships, and domestic reforms like GST coming into play. All these along with likely normal monsoon will enhance consumption growth and boost jewellery demand.

#### Trading Hub

India has emerged as the leader in diamond manufacturing and

export in the last four decades. Exports of gems and jewellery from India account for 15 percent of India's total merchandise exports. The success of India on global platform in the space is reflected in the manifold growth in gems and jewellery exports from USD 28 mn in 1966-67 to over USD 40 bn in 2016-17. This growth has been witnessed despite India not having domestic production of either gold or diamond.

Under the Make in India initiative, the Government is helping the industry to become an international trading center and preferred destination for manufacturing rather than only a cutting and polishing hub. A Special Notified Zone 'SNZ' spread across 4,000 sq. ft area within Bharat Diamond Bourse (BDB) has been established by GJEPC and BDB. This initiative has resulted unprecedented wide variety of rough diamonds becoming available to Indian buyers.

With amendments in laws in place, rough diamonds are allowed to enter and exit duty free for the purpose of viewing at this SNZ benefiting the diamond industry especially large section of small players. SMEs can now procure rough diamonds locally from the global miners without having to travel to mining countries or global trading centers, thus reducing their cost of operations. With the success of the first SNZ, the Government is planning to set up more such SNZ and make India a major trading hub.

#### Shift of focus to sell branded jewellery

India is one of the biggest exporters of diamond jewellery. However, with most jewellery exported from India being unbranded, the Government is giving an impetus to the Gems and Jewellery industry to reverse this trend. As a result, there has been a rising trend of players steadily shifting focus to selling branded jewellery in the overseas market, which will fetch better realizations. So, it is imperative for the Indian jewellery makers to understand the overseas jewellery trends. Under the Skill India movement artisans will be trained for designing to suit the needs of foreign buyers. This will help the Indian jewellery makers to self-design, manufacture and brand their own products.

In India too, with increasing number of customers seeking quality assurance, better value for money and wider product diversity, the branded jewellery retail is witnessing a steady growth. Thus, while the retail Gems and Jewellery industry is growing at 10% annually, the organised segment is recording an even faster growth of nearly 30-40%. Additionally, the initiatives by the government over the past two years to control illicit trade practices shall further catalyse the growth of branded jewellery retailers.

#### Jewellery demand for fashion

The increasing proportion of working women in workforce along with adoption of western culture, especially in urban areas, have led to change in the Indian mindset which typically viewed jewellery as investment. This change in mindset is leading to the trend of buying jewellery for aesthetic purpose. Thus, the

demand for light and low-priced jewellery is on the rise. Frequency of purchases has also increased though the ticket size may have reduced slightly. Besides, jewellery purchase is no longer limited for the requirement during weddings or festivals.

Another trend which has emerged due to the prevalence of jewellery for fashion is the demand for diamond jewellery. Gold jewellery is often considered flashy as compared to diamond jewellery which is more elegant and classy. This bodes well for the Gems and Jewellery industry.

### RISKS, THREATS AND CONCERNS

#### Low margins

Though the jewellery demand picked up in the second half of the financial year, the price realization were under pressure, with negative bias resulting in the erosion of already thin profit margins. However, with piled up inventory of midstream level traders being released in 2016, the scenario is expected to improve in 2017. Besides, the Company has contractual agreements with leading miners which enables it to procure roughs at competitive rates. Additionally, the Company's practice of procuring in bulk further provides the advantage of economies of scale and lean manufacturing process to maximize yields and minimize wastages. Vertical integration advantage also allows the Company to offer most competitive pricing to its customers.

#### Dwindling Rough Supply

Major diamond mines are located in Russia, Botswana, DRC, Australia, Canada, Zimbabwe, Angola, South Africa and Namibia. These mines have crossed their peak production levels and are facing the risk of accelerated depletion in the near future. To maintain a rationale between demand and supply many mine producers adjust their diamond production accordingly. Explorations in the past few years have not been very successful in finding any major new mines. These new mines have a much lower capacity than the existing mines operational today.

However as reports suggests, more diamond mines can be plausibly discovered in unexplored geographies. Angola is seen as country with huge potential for new discoveries as it has been relatively underexplored compared to other diamond rich locations in the world. The Company is cognizant of these facts and has long term contractual agreements with leading miners as well as other direct vendors to ensure it does not face procurement hurdles even amidst dwindling supplies.

#### Rapid growth of cheaper substitutes

Over the last few years, production of gem-quality synthetic diamonds has been on the fast track so much so that its output by 2035 is likely to match that of natural diamonds. Besides, there have been increasing cases of synthetic diamonds being mixed with natural ones. This has not only impacted industry sales, but has also led to reduced confidence among buyers. Various players in the diamond jewellery value chain are

investing in machines and processes to identify synthetic diamonds and restrict their use as cheap substitutes in jewellery. The demand for diamond jewellery stands at risk due to proliferic use of synthetic diamonds. The Company is very cautious in sourcing rough diamonds and have deployed advanced equipment to successfully detect synthetic diamonds thereby assuring the quality of its diamonds to customers.

#### Shortage of Skilled Labour

Artisans involved in polishing diamond and jewellery making are increasingly moving away to other alternative occupations as they feel that they are not adequately compensated for their efforts. They also feel insecure due to turbulence in the industry in past few years. This occupation as a legacy was passed as a baton, is thus less acceptable to the more educated younger generation who prefer other career options with better growth or lucrative prospects.

The Gems and Jewellery industry provides employment to over 4.5 mn people in the country. Taking forward the Government's Skill India initiative the Gems and Jewellery Skills Council of India has taken upon itself to train at least additional 4 mn people till 2020. The industry body council is also working in collaboration 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 and processing centres.

On its part, the Company ensures timely and relevant training for all its artisans. It also ensures that the artisans not only grow professionally but also that their personal growth is achieved. The Company's high retention rate of artisans reflects its employee-centric policies which in turn facilitates in attracting fresh talent.

#### Tightening of Liquidity

Long working capital cycle makes the Gems and Jewellery industry highly capital intensive. Advance or cash payments for sourcing of rough diamonds, prolonged credit period to the customers, wide range of high value inventory, large investments in showrooms makes financing from banks a critical part of the transaction chain. However, the increasing number of NPAs and frequent defaults has shaken confidence of the banks forcing them to tighten financing to the industry, leading to liquidity crunch among players.

The Company has strong financials with reserves of Rs. 824 crores as on March 31, 2017. Having one of the best credit rating in the industry, it enjoys strong banking relations with all the members of the consortium. The Company is also one of the most preferred customers for banks with a successful track record of no defaults and liquidity issues ever in its history.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's resilience and focus is driven to a large extent by

its strong internal control systems. Keeping in mind the nature, size and complexity of business operations the well formulated control framework covers various aspects of governance, compliance, audit, control and reporting. The Company not only ensures strict adherence all systems and processes which are clearly documented, regularly appraised and updated by internal and statutory auditors. These internal control and procedures ensure the following:

- Proficient use and protection of resources
- Conformity to policies, procedures and statutes
- Accuracy and promptness of financial reports

The Company's senior management oversees the internal audit and ensures appropriate compliance. The audit routinely keeps a close eye on complete business operations and any deviations are immediately brought to the notice of the Management for timely correction. All environmental norms, legal rules and statutes are adhered to without exception or compromise. The Audit Committee reviews the internal audit reports and ensures any deviation is looked into and systems are improved further. 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 the key to excellent business results is an excellent talent pool. The Company values its human capital and provides them ample opportunities to grow. The Company ensures a safe, conducive and productive work environment across all plants and offices. The Company provides regular skill and personnel development training to enhance employee productivity. Unwavering focus on transparent and engaging work environment enables the employees to directly communicate with the management and express their views. HR policies nurture a work culture that leads to employee satisfaction, unflagging motivation, and high retention rate. Employees have a sense of belongingness and feel empowered in driving business profitability. The management records its sincere appreciation of the efforts of all its employees.

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## DIRECTORS' REPORT



## DIRECTORS' REPORT

### Dear Members,

Your Directors are pleased to present the Twenty-Third Annual Report on the Business and Operations of your Company together with the Audited Statement of Accounts for the year ended March 31, 2017.

### Financial Results

(Rs. in Crores)

PARTICULARS	2016-2017	2015-2016
Total Sales	2,696.52	2,372.62
Add : Other Income	8.13	1.72
Total Income	2,704.65	2,374.34
Less : Total Expenditure	2,597.03	2,284.31
Operating Profit (PBDIT)	67.47	90.03
Less : Interest and Depreciation	107.62	33.34
Profit before Exceptional Items and Tax	40.15	56.69
Exceptional Items – Income / (Loss)	(0.44)	(0.86)
Profit before Tax	67.03	55.83
Provision for Tax	22.76	20.81
Provision for Deferred Tax	(0.21)	(5.14)
Profit after Tax	44.48	40.16
Open Comprehensive Income	(1.74)	(2.03)
Total Comprehensive Income	42.74	38.13

### Performance of the Company

Company reported a top-line growth of 13.65% over the Previous Year with sales of Rs. 2,696.52 crores against that of Rs. 2,372.62 crores in previous year. The Company's Profit after tax excluding exceptional items is Rs. 44.92 crores that of Rs. 41.02 crore in previous year, an increase of 9.50% over the previous year.

### Change in the nature of business, if any

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

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

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

### Dividend

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, 2017 subject to the approval of the members on September 28, 2017. 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 21, 2017.

### Transfer to reserve

The Company proposes to transfer Rs. 2 crores to the General Reserve out of amount available for appropriations and an amount of Rs. 39.43 Crores is proposed to be retained in the Profit and Loss 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 2016-17, the Company has generated 215 lacs kwh resulting in the sales of Rs. 706 lacs.

### 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 and one associate company. These consist of:

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

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. Shah Manufacturers is a partnership firm which falls under the category of associate company.

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 Companies Act, 2013 (hence forth referred to as "the Act"), the salient features of the financial statement of the subsidiaries and the associate company is set out in the prescribed form AOC-1, which forms part of the annual report. Performance and financial position of the subsidiary companies and the associate company is given in Annexure - A

### Consolidated financial statements

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

Up to the year ended March 31, 2016, the Company prepared its Financial Statements in accordance with generally accepted accounting principles in India, including accounting standards read with Section 133 of the Act notified under the Companies (Accounting Standards) Rules, 2006 ('Previous GAAP'). These are the Company's first Ind AS Financial Statements.

### Deposit

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

### Auditors

V. A. Parikh & Associates LLP, Chartered Accountants, held office till the conclusion of the ensuing Annual General Meeting

In accordance with the provisions of Section 139 of the Act, Mahendra Doshi & Associates, Chartered Accountants (Firm Registration No. 105765W), are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the 28h AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if so required under the Act.

Members are requested to approve the appointment of Mahendra Doshi & Associates and authorize the Board of Directors to fix their remuneration.

Pursuant to the provisions of Section 138 of the Act, read with Rule 13 of Companies (Accounts) Rules 2014, the Board of Directors of the Company had appointed Suresh Anchaliya & Company, to undertake the Internal Audit of the Company for the year ended March 31, 2017.

### Share Capital

The paid up capital of the Company as at March 31, 2017 stood at Rs. 16,00,68,000/-

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

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

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

### Listing

The Equity Shares of the Company are listed on BSE Limited. The Company has paid listing fees for the year 2017-18.

### Extract of Annual Return

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of 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. 179,961 lacs in foreign exchange by way of exports and has spent Rs. 139,504 lacs in foreign exchange, for the imports of materials, machinery & consumables, foreign travel, advertisement, repairs and maintenance. The Directors are making their best endeavors to earn foreign exchange.

#### Corporate Social Responsibility (CSR)

Company has a CSR Policy which emphasising its focus on community development projects, prioritizing local needs in the area of education, health, livelihood and environment, for ensuring long term sustainable benefits. Detailed policy is available on our website: [www.asianstargroup.com](http://www.asianstargroup.com). CSR programs or projects to be undertaken by the Company in terms of this Policy, shall relate to one or more activities listed in Schedule VII of the Act, 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, Chairman & CFO (Member) and Mr. Milind H. Gandhi, Independent Director (Member).

As part of its initiatives under "corporate social responsibility" (CSR), the company has contributed funds for the schemes of promotion of education, medical aid, eradicating hunger and malnutrition, promoting special education and enhancing vocational skills for employment especially among differently abled women, benefit of Indian armed forces, veterans, war widows and their dependents, rural development projects etc. The contributions in this regard have been made to various registered trust which are undertaking these schemes.

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

### Directors and 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.

#### B. Directors:

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

#### C. Board independence:

Our definition of 'Independence' of Directors is derived from Listing Regulations and Section 149(6) of the Act. The following Non-Executive Directors are Independent in terms of Listing Regulations and Section 149(6) of the Act :

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

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

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

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

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the 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 your Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management. In addition, the Company also keeps the Independent Directors, updated on the events and developments in the industry and business environment.

#### Number of meetings of the Board

The Board met four times during the financial year, as held on May 19, 2016, September 13, 2016, December 13, 2016 and February 13, 2017, the details of which are given in the "Report on Corporate Governance" that forms part of this Annual Report.

The intervening gap between 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
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee

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

#### Vigil Mechanism/Whistle Blower Policy

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

#### Particulars of Loans, Guarantees or Advances

Details of Loans, Guarantees or Advances covered under the provisions of Section 186 of the Act 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 & the Act. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

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

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

#### Particulars of Employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Act, 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 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

Pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the company is required to obtain Secretarial Audit Report from Practising Company Secretary. Mr. Yogesh D. Dabholkar, proprietor of Yogesh D. Dabholkar & Co., Practising Company Secretary was appointed to issue Secretarial Audit Report for the financial year 2016-17. Secretarial Audit Report issued by Mr. Yogesh D. Dabholkar, Practising Company Secretary in Form MR-3 for the financial year 2016-17 forms part to this report in Annexure-E. The said report contains observations as under-

1. The Company has complied with the provisions of section 135 of the Companies Act, 2013 pertaining to corporate social responsibility except section 135(5) relating to the spending of at least 2% of average net profits of the Company made during the three immediately preceding financial years in pursuant of company's CSR policy.

Directors response to the abovementioned observations in the Secretarial Audit Report are as under:

The remaining amount has not spent due to the non availability of viable projects. The CSR Committee was by then in process of identifying areas where it could contribute money. The Company has subsequently shortlisted certain projects through its committee, for CSR and will expend the appropriate amount to facilitate the activity. Efforts would be made to contribute more in the coming years.

2. The Company has granted loans, unconditional and interest free to its Wholly Owned Subsidiary Company.

Directors response to the abovementioned observations in the Secretarial Audit Report are as under:

As a part of funding, the Company had agreed to give interest free loan to its wholly owned subsidiary and the said commitment continuous to make the wholly owned subsidiary financially viable.

#### 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, 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 the Companies Act, 2013 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 Regulations 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 2016-17, 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 24, 2017

**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 the Companies Act 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries for the year ended March 31, 2017.

(Rs. in Lacs)

Particulars	Name of Subsidiary / Associate Company				
	Asian Star Jewels Private Limited	Asian Star Co. Ltd. (U.S.A.)	Asian Star Trading (Hong Kong) Limited	Asian Star DMCC	Shah Manufacturers
Issued & Subscribed Capital	120.81	178.75	204.76	62.23	-
Reserves	2,203.99	172.87	246.00	16,845.42	* (286.55)
Total Assets	8,262.76	4,769.30	14,808.82	27,765.76	570.51
Total Liabilities	8,262.76	4,769.30	14,808.82	27,765.76	570.51
Investments	-	-	-	-	-
Turnover	14,581.01	17520.47	1,489.88	66,862.44	4,535.69
Profit/(Loss) before Tax	539.45	(139.31)	49.86	2,058.25	11.41
Provision for Tax	110.00	6.23	5.90	-	19.85
Profit/(Loss) after Tax	429.45	(145.54)	43.96	2,058.25	(8.44)
Proposed Dividend	-	-	-	-	-

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

For and on behalf of the Board

Dinesh T. Shah  
Chairman & CFO  
DIN:00004685

Place : Mumbai  
Dated : May 24, 2017

## ANNEXURE B TO DIRECTORS' REPORT

## EXTRACT OF ANNUAL RETURN

## FORM NO. MGT 9

As on financial year ended on March 31, 2017

[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:

<b>CIN</b>	L36910MH1995PLC086017
<b>Registration Date</b>	March 2, 1995
<b>Name of the Company</b>	Asian Star Company Limited
<b>Category /Sub-Category of the Company</b>	Company limited by shares /Indian Non Government Company
<b>Address of the Registered office and contact details</b>	114-C Mittal Court, Nariman Point, Mumbai- 400 021 Tel: 022 62444111
<b>Whether listed company</b>	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any.</b>	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
<b>A</b>	<b>Indian Subsidiary</b>				
1	Asian Star Jewels Private Limited	U36911MH2008PTC188936	Subsidiary	100%	2(87)
<b>B</b>	<b>Foreign Subsidiary</b>				
1	Asian Star Co. Ltd (USA)	-	Subsidiary	100%	2(87)
2	Asian Star Trading (Hongkong) Ltd.	-	Subsidiary	100%	2(87)
3	Asian Star DMCC	-	Subsidiary	100%	2(87)
<b>C</b>	<b>Associate Company</b>				
1	Shah Manufactures	-	Associate Company	-	2(6)

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

i. Category-wise share holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	10800000	0	10800000	67.48	10800000	0	10800000	67.48	0.00
<b>Sub-total(A)(1):</b>	<b>10800000</b>	<b>0</b>	<b>10800000</b>	<b>67.48</b>	<b>10800000</b>	<b>0</b>	<b>10800000</b>	<b>67.48</b>	<b>0.00</b>
<b>(2) Foreign</b>	1150000	0	1150000	7.18	1150000	0	1150000	7.18	0.00
<b>Sub-total (A)(2):</b>	<b>1150000</b>	<b>0</b>	<b>1150000</b>	<b>7.18</b>	<b>1150000</b>	<b>0</b>	<b>1150000</b>	<b>7.18</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>11950000</b>	<b>0</b>	<b>11950000</b>	<b>74.66</b>	<b>11950000</b>	<b>0</b>	<b>11950000</b>	<b>74.66</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0	0.00
b) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0	0.00
c) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
e) Insurance Companies	714404	0	714404	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
<b>Sub-total (B)(1):</b>	<b>714404</b>	<b>0</b>	<b>714404</b>	<b>4.46</b>	<b>714404</b>	<b>0</b>	<b>714404</b>	<b>4.46</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate	2614850	0	2614850	16.34	2614674	0	2614674	16.33	(0.00)
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	19021	3052	22073	0.14	19477	2752	22229	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
<b>c) Others (specify)</b>									
i) Clearing Member	0	0	0	0.00	16	0	16	0.00	0.00
ii) Non resident Indians (REPAT)	100	0	100	0.00	100	0	100	0.00	0.00
iii) Non resident Indians (NONREPAT)	50017	0	50017	0.00	50021	0	50021	0.00	0.00
v) Overseas Bodies Corporate	655356	0	655356	4.09	655356	0	655356	4.09	0.00
<b>Sub-total(B)(2):</b>	<b>3339344</b>	<b>3052</b>	<b>3342396</b>	<b>20.88</b>	<b>3339644</b>	<b>2752</b>	<b>3342396</b>	<b>20.88</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4053748</b>	<b>3052</b>	<b>4056800</b>	<b>25.34</b>	<b>4054048</b>	<b>2752</b>	<b>4056800</b>	<b>25.34</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>16003748</b>	<b>3052</b>	<b>16006800</b>	<b>100.00</b>	<b>16004048</b>	<b>2752</b>	<b>16006800</b>	<b>0.00</b>	<b>0.00</b>

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Vipul P. Shah	4000050	24.99	0.00	4000050	24.99	0.00	0.00
2	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
	<b>Total</b>	<b>11950000</b>	<b>74.66</b>	<b>0.00</b>	<b>11950000</b>	<b>74.66</b>	<b>0.00</b>	<b>0.00</b>

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

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

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2016)		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	01.04.2016	At the beginning of the year	-	-	784113	4.90
				31.03.2017	At the end of the year	-	-	784113	4.90
2	Nishant Impex Private Limited	768790	4.80	01.04.2016	At the beginning of the year	-	-	768790	4.80
				31.03.2017	At the end of the year	-	-	768790	4.80
3	United India Insurance Company Limited	714404	4.46	01.04.2016	At the beginning of the year	-	-	714404	4.46
				31.03.2017	At the end of the year	-	-	714404	4.46
4	Rahil Impex Private Limited	692052	4.32	01.04.2016	At the beginning of the year	-	-	692052	4.32
				31.03.2017	At the end of the year	-	-	692052	4.32
5	Liston Investments Limited	605850	3.78	01.04.2016	At the beginning of the year	-	-	605850	3.78
				31.03.2017	At the end of the year	-	-	605850	3.78
6	Shloka Traders Private Limited	368898	2.30	01.04.2016	At the beginning of the year	-	-	368898	2.30
				31.03.2017	At the end of the year	-	-	368898	2.30
7	Nimesh Piyush Mehta	50000	0.31	01.04.2016	At the beginning of the year	-	-	50000	0.31
				31.03.2017	At the end of the year	-	-	50000	0.31
8	Twinkle Star Investments Limited	49506	0.31	01.04.2016	At the beginning of the year	-	-	49506	0.31
				31.03.2017	At the end of the year	-	-	49506	0.31
9	Surekha Vasantlal Shah	1500	0.01	01.04.2016	At the beginning of the year	-	-	1500	0.01
				31.03.2017	At the end of the year	-	-	1500	0.01
10	Shiv Kumar Goel	1424	0.01	01.04.2016	At the beginning of the year	-	-	1424	0.01
				10.06.2016	Sell of shares	5	0.00	1419	0.01
				17.06.2016	Sell of shares	2	0.00	1417	0.01
				31.03.2017	At the end of the year	-	-	1417	0.01



## v. Shareholding of Directors and Key Managerial Personnel

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

Independent Directors did not hold any share of the Company during financial year 2016-17

## V. Indebtedness

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

(Rs. in Lacs)

Sr. No.	Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i.	Principal Amount	77,070.62	4,991.65	-	82,062.27
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>77,070.62</b>	<b>4,991.65</b>	<b>-</b>	<b>82,062.27</b>
<b>Change in Indebtedness during the financial year</b>					
	Addition	-	1,470.14	-	1,470.14
	Reduction	5,624.53	-	-	5,624.53
	<b>Net Change</b>	<b>5,624.53</b>	<b>1,470.14</b>	<b>-</b>	<b>4,154.39</b>
<b>Indebtedness at the end of the financial year</b>					
i.	Principal Amount	71,446.09	6,461.79	-	77,907.88
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>71,446.09</b>	<b>6,461.79</b>	<b>-</b>	<b>77,907.88</b>

## VI. Remuneration to Directors and Key Managerial Personnel

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

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Designation & Name				Total Amount
		CEO & MD Mr. Vipul P. Shah	Executive Director Mr. Arvind T. Shah	Executive Director Mr. Priyanshu A. Shah	Executive Director Mr. Rahil V. Shah	
1	Gross salary					
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	175.00	125.00	100.00	75.00	475.00
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>175.00</b>	<b>125.00</b>	<b>100.00</b>	<b>75.00</b>	<b>475.00</b>
	<b>Ceiling as per the Act</b>					<b>734.68</b>

## B. Remuneration to other directors:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors	1.31	-	-	1.31
	<b>Total (1)</b>	<b>1.31</b>	<b>-</b>	<b>-</b>	<b>1.31</b>
2	Other Non Executive Directors	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.31</b>
<b>Total Managerial Remuneration (A+B)</b>					<b>476.31</b>
<b>Ceiling as per the Act</b>					<b>734.68</b>

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

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	125.00	6.12	131.12
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>125.00</b>	<b>6.12</b>	<b>131.12</b>

## VII. Penalties / Punishment/ Compounding of Offences

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

## 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.

- A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:  
Companies CSR policy is available on: [www.asianstargroup.com](http://www.asianstargroup.com)
- The Composition of the CSR Committee:
  - Mr. Arvind T. Shah (Chairman)
  - Mr. Dinesh T. Shah (Member)
  - Mr. Milind Gandhi (Member)
- Average net profit of the company for last three financial years:  
The average net profits for the last three financial years is - Rs. 5776.52 lacs
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):  
The Company is required to spend Rs. 115.53 - towards CSR for the financial year 2016-17
- Details of CSR spent during the financial year :

(Rs. in Lacs)

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



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

[Rs. in Lacs]

Sr. No.	CSR project or activity identified	Sector in which projects are covered	Location where project is undertaken: State (Local Area/ District)	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: 1) Direct expenditure on projects 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agencies
1	Provision of Educational material	Education	Mumbai, Nandurbar (Maharashtra)	4.09		4.09	Through implementing Agencies
2	Promoting education for differently abled	Education	Mumbai, (Maharashtra)	1.00		1.00	
3	Mid day meals to children	Eradicating hunger & malnutrition	Mumbai (Maharashtra)	0.20		0.20	
4	Drought Relief		Satara, Pune (Maharashtra)	5.00		5.00	
5	Construction of boarding house cum workshop centre for mentally challenged women	Promoting special education and enhancing vocational skills for employment especially among differently abled women	Mumbai (Maharashtra)	10.00		10.00	
6	Medical aid for 'Transcatheter ADS closure'	Promoting preventive healthcare	Mumbai (Maharashtra)	2.00		2.00	Direct
7	Aid for mobile clinic to reach different parts of Gujarat		Kheda, Ahmadabad, Gandhinagar (Gujarat)	11.00		11.00	Through implementing Agencies
8	Free cataract surgeries of about 1000 economically backward patient		Mumbai (Maharashtra)	15.00		15.00	
9	Mobility Camp for physically challenged		Suburban Mumbai (Maharashtra)	6.00		6.00	
10	Providing lifetime shelter & rehabilitation with due love, care and compassion for old, disabled, mentally ill, dying and destitute		Ujjain (Madhya Pradesh)	3.00		3.00	
11	Social Business Project		Valsad(Gujarat)	25.00		25.00	
12	Army Central Welfare Fund	Measures for the benefit of Indian armed forces, veterans, war widows & their dependents		4.00		4.00	Direct
13	Social Business Project	Rural development projects	Bhavnagar (Gujarat)	15.00		15.00	Through implementing Agencies
14	Educational infrastructural development	Promoting education facilities of Rural and tribal children	Vikramgad (Maharashtra)	2.50		2.50	
<b>TOTAL</b>				<b>103.79</b>		<b>103.79</b>	

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

Your Company has completed the target of spending Rs. 76.14 Lacs which were unspent during last financial year 2015-16.

For the unspent amount of financial year 2016-17- 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.

Vipul P. Shah  
CEO & Managing Director

Arvind T. Shah  
Chairman  
CSR Committee

## ANNEXURE D TO THE DIRECTORS' REPORT

### [Pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

A \*Ratio of the remuneration of each Executive Director to the median remuneration of the Employee of the Company for the financial year 2016-17:

[Rs. in Lacs]

Sr. No	Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Vipul P. Shah	CEO & Managing Director	88.04:1	40 %
2	Arvind T. Shah	Executive Director	62.89:1	Nil
3	Priyanshu A. Shah	Executive Director	50.31:1	33.33%
4	Rahil V. Shah	Executive Director	37.73:1	150%

B) The percentage increase in remuneration of the Chief Financial Officer is Nil and of the Company Secretary is 22.49%

C) The percentage increase in the median remuneration of Employees for the financial year was 3.69%

D) The Company has 1165\*\* permanent Employees on the rolls of Company as on March 31, 2017.

E) Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 8.45% whereas the increase in the managerial remuneration was 33.80%

The increment given to each individual employee is based on the employees' potential, experience, performance and overall performance of the Company.

F) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

Note:

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

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

For and on behalf of the Board

Dinesh T. Shah  
Chairman & CFO  
DIN:00004685

## ANNEXURE E TO DIRECTOR'S REPORT

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

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

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

Dear Sirs,

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Asian Star Company Limited ("the Company") as per Annexure A for the financial year ended 31st March 2017 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 and its amendment notified on 18th September, 2015; (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);

I 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) relating to the spending of at least 2% of average net profits of the Company made during the three immediately preceding financial years in pursuant of company's CSR policy.
2. The Company has granted loans, unconditional and interest free to its Wholly Owned Subsidiary Company.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors that took place during the period under review.

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

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

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

I further report that during the audit period, the company has acquired Equity shares of Indian commodity Exchange Limited by way of participation in Right issue. The said acquisition of Equity shares is subject to the approval of securities Exchange Board of India as per Regulation 19 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulation, 2012 read with circular - CIR / MRD / DSA / 33 / 2012 dated 13th December, 2012

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

For Yogesh D Dabholkar & Co.,  
Practicing Company Secretaries

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

Place: Dombivli  
Date: May 24, 2017



**ANNEXURE A**

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

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

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

For Yogesh D Dabholkar & Co.,  
Practicing Company Secretaries

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

Place: Dombivli  
Date: May 24, 2017

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## 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').

### II Board of Directors

#### 1) Composition

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

Board of Directors, as on 31.03.2017 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 (henceforth referred to as 'the Act') and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors in terms of the provisions of section 149 of the Act. The terms and conditions of their appointment are disclosed on the Company's website.

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

During the year 2016-17, the Board of Directors met 4 times (19.05.2016, 13.09.2016, 13.12.2016, 13.02.2017) 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	DIN	Category	Board Meetings attended	Last AGM attendance	No. of outside directorship held in public companies	No. of Board Committee <sup>5</sup> of which he/she is a member	No. of Board Committee <sup>5</sup> of which he/she is a Chairman
					Other than Asian Star Company Limited		
Dinesh T. Shah	00004685	Promoter Executive Chairman	4	Yes	-	-	-
Arvind T. Shah	00004720	Promoter Executive Director	3	Yes	-	-	-
Dharmesh D. Shah	00004704	Promoter Non Executive Director	2	No	-	-	-
Vipul P. Shah	00004746	Promoter Executive Director	3	Yes	-	-	-
Priyanshu A. Shah	00004759	Promoter Executive Director	1	No	-	-	-
Rahil V. Shah	06811700	Executive Director	2	No	-	-	-
K. Mohanram Pai	00007198	Independent - Non Executive Director	4	Yes	1	-	3
Apurva R. Shah	00004781	Independent - Non Executive Director	4	Yes	3	3	1
Hasmukh B. Gandhi	00009153	Independent - Non Executive Director	4	Yes	2	-	-
Milind H. Gandhi	01658439	Independent - Non Executive Director	4	Yes	1	-	-
Miyar R. Nayak	03352749	Independent - Non Executive Director	3	Yes	1	1	-
Neha Rajen Gada	01642373	Independent - Non Executive Director	4	No	1	1	-

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

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

### 3) Code of Conduct

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

### 4) Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 31.03.2017, as required under Schedule IV to the Act, (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 fulfillment 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](http://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 Act which promotes relationship of accountability between the Board, Management and Statutory Auditors. The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of Audit Committee are placed on the Company's website ([www.asianstargroup.com](http://www.asianstargroup.com)) under Corporate Governance Segment.

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

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

During the year 2016-17, the Audit Committee met 4 times (19.05.2016, 13.09.2016, 13.12.2016, 13.02.2017) with clearly defined agenda of the meetings.

The previous Annual General Meeting of the Company which was held on 27.09.2016 was attended by Chairman of the Audit Committee.

### Internal Audit & Controls

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

### 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, Non-Executive	2
Milind H. Gandhi	Member	Independent Director, Non-Executive	2
Apurva R. Shah	Member	Independent Director, Non-Executive	2

During the year 2016-17, the Nomination & Remuneration Committee met 2 times (19.05.2016, 13.02.2017) with clearly defined agenda of the meetings. Your Company has framed policy on Nomination & Remuneration; the same is displayed on the website of the Company ([www.asianstargroup.com](http://www.asianstargroup.com)) 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 2016-17 to the Executive Directors of the Company are given below:

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

## 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

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

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

## Company Secretary and Address for Correspondence

Name and Designation	Telephone No.	Email ID	Fax No.
Aparna Shinde, Company Secretary	+91 2262 444 111	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

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

## 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 [www.asianstargroup.com](http://www.asianstargroup.com) of the Company under Corporate Governance segment. The Report on CSR activities for the year 2016-17 forms a part of the Directors' Report.

## Composition and Attendance during the year

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

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

The Committee met two times during the year, on 13.09.2016, 31.03.2017

## IX General Body Meetings

- i) Annual General Meeting to be held on:

Date: September 28, 2017

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 22, 2017 to September 28, 2017 (Both the days inclusive)

Dividend Date: If approved at Annual General Meeting will be paid on or after September 28, 2017

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

Year	Venue	Date	Time
2013-14	Sangam Hall, Mumbai	September 12, 2014	4.00 pm
2014-15	Sangam Hall, Mumbai	September 09, 2015	4.00 pm
2015-16	Sangam Hall, Mumbai	September 27, 2016	4.00 pm

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

- i) No Extra-ordinary General Meeting of the shareholders was held during the year.
- ii) 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 BSE Limited or SEBI or any statutory authority, on any matter related to capital markets, during the last three years?
  - The Company has complied with the requirements of the Stock Exchanges or SEBI on matters related to Capital Markets, as applicable, during the last three years.
- iii) The Company has followed all relevant Accounting Standards prescribed under section 133 of the Companies Act, 2013 and laid down by the Institute of Chartered Accountants of India while preparing the Financial Statements.
- iv) 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.
- v) 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.
- vi) Certificate on Corporate Governance- Annexed herewith.
- vii) 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.
- viii) Compliance Report on Non-mandatory requirements under Regulation 27
  - 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 Regulations - The results of the Company are also posted on the Company's website: [www.asianstargroup.com](http://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.

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 Compliance Monitoring System

The Company believes that statutory compliance has become a catalyst for Corporate Governance and that a good statutory compliance system has become vital for effective conduct of business operations. Organization operations are spread across the



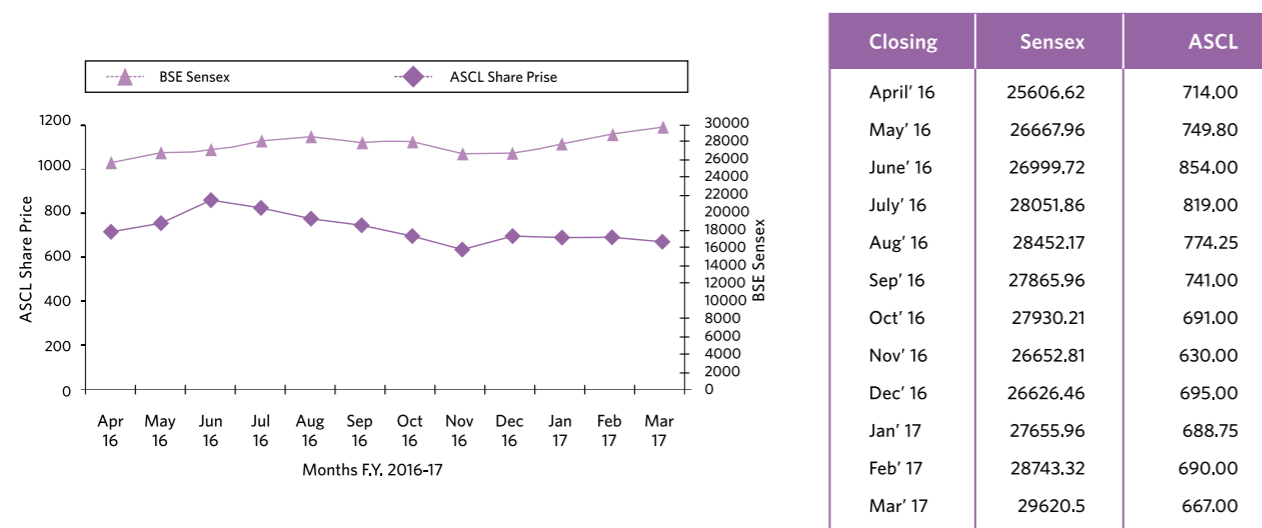
globe; hence it becomes imperative and an obligation for the Organization to comply with legal and regulatory laws of various countries. The Company ensures compliance of all applicable laws globally. Under this system, identified key stakeholders, across business units, corporate functions and geography heads, ensure and confirm compliance with the provisions of all applicable laws on a continuous basis.

**XIV General Shareholder Information**

Sr.no	Information
1	<b>Annual General Meeting</b> Date and Time: September 28, 2017 at 4.00 p.m. Venue: Sangam Hall, Agarwal Bhavan, 100-C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai-400 002.
2	<b>Financial Calendar</b> (Tentative Schedule) First quarter: Second week of July, 2017 Second quarter/Half year: Second week of October, 2017 Third quarter: Second week of January, 2018 Audited Annual Results: Second week of May, 2018
3	<b>Book Closure Date</b> : September 22, 2017 to September 28, 2017 (Both the days inclusive)
4	<b>Dividend Payment Date</b> : 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	<b>Listing on Stock Exchange at</b> : BSE Limited (Exchange Code: 531847) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 023
6	<b>ISIN number for NSDL &amp; CDSL</b> : INE194D01017
7	<b>CIN No.</b> : 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' 16	714.00	714.00	Oct' 16	739.90	675.45
May' 16	750.00	680.25	Nov' 16	657.00	630.00
June' 16	854.00	755.00	Dec' 16	695.00	601.00
July' 16	820.00	779.00	Jan' 17	725.00	688.75
Aug' 16	815.00	774.25	Feb' 17	690.00	655.00
Sep' 16	812.95	730.00	Mar' 17	738.15	637.45

**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, 2017:**

No. of Shares	No. of Share Holders	% of Total Share Holders	No. of Shares	% of Total Shares
1 - 500	437	94.18	13,779	0.09
501 - 1,000	7	1.51	4,567	0.03
1,001 - 2,000	4	0.86	4,841	0.03
2,001 - 3,000	-	-	-	-
3,001 - 4,000	-	-	-	-
4,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,001 & above	16	3.45	15,983,613	99.85
<b>Total</b>	<b>464</b>	<b>100.00</b>	<b>16,006,800</b>	<b>100.00</b>

**12. Categories of equity shareholding as on March 31, 2017:**

Category	No of Folios	No of shares held	% of total shares held
Promoters	8	11,950,000	74.66
Body Corporates	26	2,614,674	16.33
Indian Public	416	22,229	0.14
NRI & OCB's	9	705,477	4.41
FII's	-	-	-
Clearing Member	4	16	0.00
Insurance Companies	1	714,404	4.46
<b>Total</b>	<b>464</b>	<b>16,006,800</b>	<b>100.00</b>

**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.

16,004,048 equity shares i.e. 99.98 % of equity shares have been dematerialized up to 31.03.2017.

**14. Manufacturing Facilities:**

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

**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 6244 4111  
 Fax: +91 22 2204 3747

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

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

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Business Conduct for the year ended March 31, 2017.

**For Asian Star Company Limited**

Place : Mumbai  
 Date : May 24, 2017

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

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2017 and that to the best of our knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
- I. Significant changes, if any, in internal control over financial reporting during the year;
  - II. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Mumbai  
 Date : May 24, 2017

**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, 2017 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

**Nirav Parikh**  
Partner  
Membership No. 121674

Place : Mumbai  
Date : May 24, 2017

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## 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, 2017, 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 there under.

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 March 31st, 2017, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 41 to the financial statements.
  - 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.
  - There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to December 30th, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management.

**FOR V. A. PARIKH & ASSOCIATES LLP**  
Chartered Accountants  
FR No: 112787W / W100073

**NIRAV R. PARIKH**  
PARTNER  
MEMBERSHIP NO. 121674

Place : Mumbai  
Date : May 24, 2017

## 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:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - 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.
  - The title deeds of the immovable properties are in the name of the Company.
- 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.
- The Company has granted loans, unconditional and interest free, to a company covered in the register maintained under section 189 of the Act.
  - 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.
- 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.
- The Company has not accepted any deposits from the public during the year.
- 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.
- 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, 2017 for a period of more than six months from the date they become payable.
  - Details of dues which have not been deposited as at March 31, 2017 on account of disputes as given below:  
Statement of Disputed Dues

Name of the Statute	Nature of the Dues	Amount (in lakhs)	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.

- In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to Government, any Financial Institution or Bank or debenture holders.
- 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).
- 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.
- The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- 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.
- 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  
FR No: 112787W / W100073

Place : Mumbai  
Date : May 24, 2017

**NIRAV R. PARIKH**  
PARTNER  
MEMBERSHIP NO. 121674

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting ASIAN STAR COMPANY LIMITED ("The Company"), as of 31st March, 2017 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, 2017, 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  
FR No: 112787W / W100073

Place : Mumbai  
Date : May 24, 2017

**NIRAV R. PARIKH**  
PARTNER  
MEMBERSHIP NO. 121674



## STANDALONE BALANCE SHEET AS AT MARCH 31, 2017

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31,2017	AS AT MARCH 31,2016	AS AT APRIL 1,2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a Property, Plant & Equipment	1	24,736.86	25,132.76	25,798.74
b Capital Work-In-Progress		-	2,931.30	2,691.40
c Investment Property		4,993.01	-	-
		29,729.87	28,064.06	28,490.14
d Financial Assets				
i) Non Current Investments	2	566.54	557.72	521.60
ii) Long Term Loans & Advances	3	370.42	333.95	461.07
iii) Other Financial Assets	4	346.65	361.26	278.05
e Non Current Tax Assets	5	5,968.56	6,578.99	4,596.29
f Other Non-Current Assets	6	364.91	566.98	445.26
		37,346.95	36,462.96	34,792.41
<b>Current Assets</b>				
a Inventories	7	56,214.84	40,488.95	54,634.12
b Financial Assets				
i) Current Investments	8	3,207.90	88.95	149.43
ii) Trade Receivables	9	63,842.77	63,264.41	68,278.04
iii) Cash and Cash Equivalents	10	17,797.98	15,695.97	14,552.95
iv) Loans & Advances	11	1,619.10	17,044.90	1,451.28
v) Other Financial Assets	12	3,553.66	697.18	30.64
c Current Tax Assets	13	2,131.40	2,009.60	1,980.57
		148,367.65	139,289.96	141,077.03
<b>TOTAL</b>		<b>185,714.60</b>	<b>175,752.92</b>	<b>175,869.44</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a Equity Share Capital	14	1,600.68	1,600.68	1,600.68
b Other Equity	15	63,215.91	59,197.92	55,625.15
		64,816.59	60,798.60	57,225.83
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
a Financial Liabilities				
i) Long-Term Borrowings	16	2,500.00	2,253.86	2,031.95
b Deferred Tax Liabilities (Net)	17	5,082.05	5,103.55	5,618.46
c Long-Term Provisions	18	472.11	341.56	181.75
d Non Current Tax Liabilities	19	5,826.89	6,472.93	4,527.33
e Other Non-Current Liabilities	20	689.00	306.12	135.39
		14,570.05	14,478.02	12,494.88
<b>Current Liabilities</b>				
a Financial Liabilities :				
i) Short-Term Borrowings	21	75,407.88	79,808.41	81,407.05
ii) Trade Payables	22	27,776.11	17,616.33	19,914.71
iii) Other Financial Liabilities	23	75.93	202.92	26.64
b Current Tax Liabilities	24	2,275.74	2,081.26	1,945.60
c Other Current Liabilities	25	792.30	767.38	2,854.73
		106,327.96	100,476.30	106,148.73
<b>TOTAL</b>		<b>185,714.60</b>	<b>175,752.92</b>	<b>175,869.44</b>
Significant Accounting Policies Notes on Financial Statements	1 to 56			

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

**NIRAV R. PARIKH**  
Partner  
Membership No. 121674

**APARNA SHINDE**  
Company Secretary

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

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

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

PARTICULARS	NOTE	2016-2017	2015-2016
Revenue From Operations	26	2,69,651.67	2,37,261.79
Other Income	27	812.88	171.75
<b>Total Revenue</b>		<b>2,70,464.55</b>	<b>2,37,433.54</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	28	2,10,281.08	1,62,348.65
Purchases of Stock-In-Trade		32,805.38	29,788.68
Changes in Inventories of Work-In-Progress & Finished Goods	29	(11,755.04)	12,472.48
Employee Benefits Expense	30	5,121.89	3,956.25
Finance Costs	31	2,445.71	1,911.60
Depreciation and Amortization Expense		1,568.62	1,421.63
Other Expenses	32	23,250.05	19,865.94
<b>Total Expenses</b>		<b>2,63,717.69</b>	<b>2,31,765.23</b>
Profit Before Exceptional Items & Tax		6,746.86	5,668.31
Exceptional Items Income / (Loss)	33	(44.14)	(85.72)
<b>Profit Before Tax</b>		<b>6,702.72</b>	<b>5,582.59</b>
Tax expense			
Current Tax		2,275.74	2,081.26
Deferred Tax		(21.49)	(514.91)
<b>Profit After Tax</b>		<b>4,448.47</b>	<b>4,016.24</b>
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		(174.18)	(203.37)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total Comprehensive Income</b>		<b>4,274.29</b>	<b>3,812.87</b>
Earnings Per Equity Share:			
Basic and Diluted (In Rs.)		27.79	25.09
Significant Accounting Policies Notes on Financial Statements	1 to 56		

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

**NIRAV R. PARIKH**  
Partner  
Membership No. 121674

**APARNA SHINDE**  
Company Secretary

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

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

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	6,702.72	5,582.59
Adjustment for		
Depreciation	1,568.62	1,421.63
Finance Costs	2,445.71	1,911.60
Unrealised Foreign Exchange (Gain) / Loss	(816.87)	(918.21)
Dividend Received	(256.57)	(253.99)
(Profit)/Loss on Sale of Fixed Assets	44.14	85.72
(Profit)/Loss on Sale of Investments	(11.81)	(3.22)
Diminution in value of Investment written off / (written back)	(412.60)	89.37
Dividend Paid	240.10	-
Tax on Dividend	50.24	-
Wealth Tax	-	2.76
Operating Profit Before Working Capital Changes	9,553.68	7,918.25
Adjustment for		
Receivables	(1,395.23)	4,095.42
Inventories	(15,725.89)	14,145.17
Loans & Advances	15,425.80	(15,593.62)
Financial Assets & Liabilities	(2,983.47)	(490.26)
Current Liabilities	10,159.78	(2,298.38)
Cash generated from / (used in) Operations	15,034.67	7,776.58
Taxation	(2,131.40)	(1,985.44)
Net Cash From / (used in) Operating Activities	12,903.27	5,791.14
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets (Including Capital Work in Progress)	(1,258.11)	(1,863.28)
Dividend Received	256.57	253.99
Purchase of Investments	(3,118.95)	60.48
Net Cash from / (used in) Investing Activities	(4,120.49)	(1,548.81)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings	246.14	221.91
Short Term Borrowings	(4,400.53)	(1,598.64)
Finance Costs	(2,236.04)	(1,722.58)
Dividend Paid	(240.10)	-
Tax on Dividend	(50.24)	-
Net Cash from / (used in) Financing Activities	(6,680.77)	(3,099.31)
Net Increase / (Decrease) in Cash & Cash Equivalents	2,102.01	1,143.02
Cash & Cash Equivalents as at 1st April (Opening)	15,695.97	14,552.95
Cash & Cash Equivalents as at 31st March (Closing)	17,797.98	15,695.97

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

**NIRAV R. PARIKH**  
Partner  
Membership No. 121674  
Place : Mumbai  
Dated : May 24, 2017

**APARNA SHINDE**  
Company Secretary  
Place : Mumbai  
Dated : May 24, 2017

**DINESH T. SHAH**  
Chairman & CFO  
DIN - 00004685  
Place : Mumbai  
Dated : May 24, 2017

**VIPUL P. SHAH**  
CEO & Managing Director  
DIN - 00004746  
Place : Mumbai  
Dated : May 24, 2017

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

## A. Equity Share Capital

(Rs. in Lacs)

	Balance at the beginning of the reporting period April 1, 2015	Changes in Equity share capital during the year 2015-16	Balance at the end of the reporting period March 31, 2016	Changes in Equity share capital during the year 2016-17	Balance at the end of the reporting period March 31, 2017
Equity Share Capital	1,600.68	-	1,600.68	-	1,600.68

## B. Other Equity

(Rs. in Lacs)

PARTICULARS	Reserves and Surplus					Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	
<b>AS ON MARCH 31st, 2016</b>						
Balance at the beginning of the reporting period i.e. April 1st, 2015	298.16	1,986.44	15,963.67	37,376.88	-	55,625.15
Total Comprehensive Income for the year	-	-	-	4,016.24	(203.37)	3,812.87
Tax on Dividend	-	-	-	(50.24)	-	(50.24)
Dividends	-	-	-	(240.10)	-	(240.10)
Tax on Dividend of the last year reversed	-	-	-	50.24	-	50.24
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-
Balance at the end of the reporting period i.e. March 31st, 2016	298.16	1,986.44	16,163.67	40,953.02	(203.37)	59,197.92
<b>AS ON MARCH 31st, 2017</b>						
Balance at the beginning of the reporting period i.e. April 1st, 2016	298.16	1,986.44	16,163.67	40,953.02	(203.37)	59,197.92
Total Comprehensive Income for the year	-	-	-	4,448.47	(174.18)	4,274.29
Tax on Dividend	-	-	-	(50.24)	-	(50.24)
Dividends	-	-	-	(240.10)	-	(240.10)
Tax on Dividend of the last year reversed	-	-	-	50.24	-	50.24
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-
Provision for tax of Ealier Years written off	-	-	-	(16.20)	-	(16.20)
Balance at the end of the reporting period i.e. March 31st, 2017	298.16	1,986.44	16,363.67	44,945.19	(377.55)	63,215.91

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

**NIRAV R. PARIKH**  
Partner  
Membership No. 121674

Place : Mumbai  
Dated : May 24, 2017

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 24, 2017

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

Place : Mumbai  
Dated : May 24, 2017

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

Place : Mumbai  
Dated : May 24, 2017

## A. CORPORATE INFORMATION

Asian Star Company Limited (The Company) is a public Limited company domiciled and incorporated in India. Its shares are listed on the Bombay stock exchange in India. The Company is one of the world's leading diamantaires primarily engaged in the business of diamond cutting and polishing, jewellery manufacturing and retailing. The Company is also engaged in generation of electricity through wind power in India.

## B. SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of preparation

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

Up to the year ended March 31st, 2015, the Company prepared its financial statements in accordance with generally accepted accounting principles in India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). The Financial Statements for the year ended on March 31st, 2017 are the first to have been prepared in accordance with the IndAS. The date of transition to IndAS is April 1st, 2015. Accordingly, opening balances as on April 1st, 2015 and March 31st, 2016, have been presented comparatively.

These financial statements are in compliance with IndAS 101, "First Time Adoption of Indian Accounting Standards". Refer note 5 for the details of first time adoption exemptions availed as well as Reconciliations upon Transition.

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

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

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

#### i. Revenue recognition

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

#### ii. Useful life of Property, Plant and Equipment

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

#### iii. Income Taxes

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

#### iv. Fair Value

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

### 3. Summary of significant accounting policies

#### a. Use of estimates

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

#### b. Presentation of true and fair view

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

#### c. Going concern

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

#### d. Accrual basis

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

#### e. Materiality

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

#### f. Basis of Measurement

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

#### g. Offsetting

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

#### h. Functional and Presentation Currency

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

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

#### i. Foreign Currency Transactions

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

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

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

#### j. Tangible fixed assets (PPE & CWIP)

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

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

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

As per 'the deemed cost' exception given in paragraphs D5 and D6 to IndAS 101, any item of property, plant and equipment can be measured at the date of transition to IndAS at its fair value or at Previous GAAP revalued amount. The Previous GAAP revalued amount can be considered as deemed cost if the revaluation was, at the date of the revaluation, broadly comparable to either the fair value or cost or depreciated cost in accordance with IndAS.

Capital work in progress (CWIP) 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.

#### k. Depreciation on tangible fixed assets

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



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

**l. Investment property**

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

**m. Borrowing costs**

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

**n. Inventories**

Stock of raw materials, i.e. mainly rough diamonds and gold is stated at moving weighted average cost or net realizable value whichever is lower. Stock of polished diamonds (for jewellery operations) is valued at technically evaluated cost or net realizable value whichever is lower. Specific items of cost are allocated and assigned to inventory wherever practicable.

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

Consumables are valued at cost.

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

**o. Revenue recognition**

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

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

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

**p. Government Grants**

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

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

**q. Retirement and other employee benefits**

**Short Term Employee Benefits**

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

**Defined Contribution plans**

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

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

1948, which are also defined contribution schemes recognized and administered by Government of India.

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

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

**Defined benefit plans**

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

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

**r. Taxes on income**

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

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

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

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

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

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

**s. Earnings per share**

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

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

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

**t. Provisions, contingent liabilities and contingent assets**

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

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

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

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

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

**u. Cash and cash equivalents**

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

**v. Related Party Disclosures**

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

**w. Dividend**

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

**x. Financial Instruments**

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

**Financial Assets - Trade receivables**

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

**Impairment of Trade receivables**

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

**Financial Assets - Investments**

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

**Financial Assets - Loans and advances to staff**

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

**Impairment of loans and advances to staff**

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

**Financial Liabilities - Interest-bearing borrowings**

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

**Financial Liabilities - Trade payables**

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

**Financial Liabilities - Derivative financial instruments**

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

**Offsetting financial instruments**

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

**4. First Time Adoption of IndAS**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. These financial statements for the year ended 31st March, 2017 are the first financial statements the Company has prepared under Ind AS. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2017, together with the comparative information as at and for the year ended 31st March, 2016 and the opening Ind AS Balance Sheet as at 1st April, 2015, the date of transition to Ind AS.

**Optional exemptions adopted as per IndAS**

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below.

**Property, plant and equipment (PPE), investment properties and intangible assets:** The Company has availed of the option to use either "the Fair Value of the asset at the date of transition" or the "Previous GAAP revaluation at or before the date of transition" as its deemed cost.

**Investments in subsidiaries, joint ventures and associates:** The Company has adopted to value its investments in subsidiaries, joint ventures and associates at deemed cost, which is the previous GAAP carrying amount at the date of transition.

**Mandatory exceptions from retrospective application of IndAS**

In addition to the optional exceptions discussed above, The Company has applied the following mandatory exceptions under IndAS 101:

**Estimates:** The estimates made under previous GAAP (Indian GAAP) have not been changed by using subsequent information at the IndAS transition date except change in the estimates of useful lives of Land & building. The other estimates as per IGAAP can be changed in future only in case of an error or if the estimates not earlier required under Indian GAAP would be required under IndAS.

**Classification and measurement of financial assets:** The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made considering whether the conditions of IndAS 109 are met on the basis of the facts and circumstances that existed on the date of transition to IndAS.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2017

## 1. PROPERTY, PLANT &amp; EQUIPMENT

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK
	As At April 1, 2016	Additions	Deductions	As At March 31, 2017	As At April 1, 2016	For The Year	Deductions	As At March 31, 2017	As At March 31, 2017
Tangible Assets									
Land	5,889.15	192.19	5.00	6,076.34	-	-	-	-	6,076.34
Office Premises	3,152.80	-	1,898.92	1,253.88	35.49	35.49	-	70.98	1,182.90
Factory Premises	6,177.12	-	-	6,177.12	416.04	139.43	-	555.47	5,621.65
Plant & Machinery	14,036.28	2,457.65	129.59	16,364.34	5,235.11	954.32	65.08	6,124.35	10,239.99
Vehicles	633.48	267.17	43.98	856.67	328.78	92.27	38.71	382.34	474.33
Furniture & Fixtures	1,062.03	29.34	-	1,091.37	622.05	125.49	-	747.54	343.83
Office Equipments	1,759.70	56.44	-	1,816.14	1,000.88	153.41	-	1,154.29	661.85
Computer	568.53	143.63	-	712.16	507.98	68.21	-	576.19	135.97
<b>CURRENT YEAR</b>	<b>33,279.09</b>	<b>3,146.42</b>	<b>2,077.49</b>	<b>34,348.02</b>	<b>8,146.33</b>	<b>1,568.62</b>	<b>103.79</b>	<b>9,611.16</b>	<b>24,736.86</b>

(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	Deductions	As At March 31, 2016	As At March 31, 2016
Tangible Assets									
Land	5,889.15	-	-	5,889.15	-	-	-	-	5,889.15
Office Premises	3,152.80	-	-	3,152.80	-	67.27	-	67.27	5,005.90
Factory Premises	6,174.39	2.73	-	6,177.12	286.80	97.46	-	384.26	3,872.49
Plant & Machinery	13,346.36	713.43	23.53	14,036.26	4,409.10	841.68	15.69	5,235.09	8,801.17
Vehicles	566.43	75.96	8.91	633.48	263.43	70.78	5.43	328.78	304.70
Furniture & Fixtures	1,040.67	21.37	-	1,062.04	497.64	124.42	-	622.06	439.98
Office Equipments	1,899.19	42.35	181.84	1,759.70	925.67	148.99	73.77	1,000.89	758.81
Computer	549.33	19.21	-	568.54	436.95	71.03	-	507.98	60.56
<b>CURRENT YEAR</b>	<b>32,618.32</b>	<b>875.05</b>	<b>214.28</b>	<b>33,279.09</b>	<b>6,819.59</b>	<b>1,421.63</b>	<b>94.89</b>	<b>8,146.33</b>	<b>25,132.76</b>

## 2. NON-CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Unquoted, Equity Instruments</b>			
<b>In Wholly Owned Subsidiary Companies at cost (all fully paid)</b>			
Asian Star Co., Ltd., USA 5 (5) Shares of US\$ 1,00,000 each	178.75	178.75	178.75
Asian Star DMCC 200 (200) Shares of AED 1,000 each	62.23	53.41	53.41
Asian Star Jewels Pvt Ltd 10,00,000 (10,00,000) Shares of Rs. 10 each	120.80	120.80	120.80
Asian Star Trading ( Hongkong) Ltd 10,000 (10,000) Shares of HK\$ 100 each	204.76	204.76	168.64
Note: In the Financial Year 2016-17, no indication of impairment to the carrying amount of the investments in subsidiaries has been assessed and accordingly no impairment loss on investments in subsidiaries have been recognised in the current reporting period.			
<b>Total</b>	<b>566.54</b>	<b>557.72</b>	<b>521.60</b>

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

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Loans and advances to related parties (Loan to Subsidiary Company)	370.42	333.95	461.07
<b>Total</b>	<b>370.42</b>	<b>333.95</b>	<b>461.07</b>

## 4. OTHER FINANCIAL ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Deposits With Others	36.80	38.88	36.97
Security Deposits	309.85	322.38	241.08
<b>Total</b>	<b>346.65</b>	<b>361.26</b>	<b>278.05</b>

## 5. NON CURRENT TAX ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Advance Tax	5,968.56	6,578.99	4,596.29
<b>Total</b>	<b>5,968.56</b>	<b>6,578.99</b>	<b>4,596.29</b>

## 6. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Capital Advances	364.91	566.98	445.26
<b>Total</b>	<b>364.91</b>	<b>566.98</b>	<b>445.26</b>



## 7. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Raw Materials	20,379.94	16,408.77	18,079.74
Work In Progress	4,026.40	2,291.17	2,060.55
Finished Goods	31,786.17	21,766.36	34,469.46
Consumables	22.33	22.65	24.37
<b>Total</b>	<b>56,214.84</b>	<b>40,488.95</b>	<b>54,634.12</b>

## 8. CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Investments carried at Fair Value through profit &amp; loss (FVTPL)</b>			
<b>Unquoted, fully paid up</b>			
<b>Investments in Equity</b>			
Ratnakar Bank Ltd. (Nil (28,000) Shares of Rs. 10 each)	-	30.86	-
Indian Commodity Exchange Ltd. (1,67,50,000 (Nil) Shares of Rs. 10 each)	1,675.00	-	-
<b>Investments in Bond</b>			
Sovereign Gold Bond Scheme (200 (Nil) Units)	5.83	-	-
<b>A</b>	<b>1,680.83</b>	<b>30.86</b>	<b>-</b>
<b>Quoted, fully paid up</b>			
Classic Diamonds (India) Ltd. 716 (5,000) Shares of Rs. 2 each	0.01	0.01	0.07
Gitanjali Gems Ltd. Nil (1,000) Shares of Rs. 10 each	-	-	0.41
Golddian International Ltd. Nil (1,000) Shares of Rs. 10 each	-	-	0.22
Golkunda Diamonds & Jewellery Ltd. Nil (10) Shares of Rs. 10 each	-	-	0.01
Rajesh Exports Ltd. Nil (600) Shares of Re. 1 each	-	-	1.17
S.B. & T International Ltd. Nil (10) Shares of Rs. 10 each	-	-	0.01
Shrenuj & Co Ltd. 2,000 (1,000) Shares of Rs. 2 each	0.02	0.13	0.85
Winsome Diamonds & Jewellery Ltd. 0.01 1,000 (1,000) Shares of Rs. 10 each	0.01	0.01	-
Vaibhav Global Ltd. 10 (10) Shares of Rs. 10 each	-	-	0.08
Zodiac JRD MKJ Ltd. 10 (10) Shares of Rs. 10 each	-	-	0.01
Ratnakar Bank Limited (28,000 (Nil) Shares of Rs. 10 each)	138.38	-	-
Tribhovandas Bhimji Zaveri Ltd. 1,00,000 (1,00,000) Shares of Rs. 10 each	77.85	57.94	146.59
Aarti Industries Ltd 7,700 (Nil) Shares of Rs. 5 each	58.96	-	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31,2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Aegis Logistics Ltd 55,500 (Nil) Shares of Rs. 10 each	107.86	-	-
APL Apollo Tubes Ltd 5,220 (Nil) Shares of Rs. 10 each	61.09	-	-
Astec Lifescience Ltd 12,235 (Nil) Shares of Rs. 10 each	73.83	-	-
Aptech Ltd. 24,973 (Nil) Shares of Rs. 10 each	57.45	-	-
CCL Products Ltd 20,419 (Nil) Shares of Rs. 2 each	69.89	-	-
Dalmia Bharat Ltd 2,630 (Nil) Shares of Rs. 10 each	51.74	-	-
Deep Industries Ltd 26,250 (Nil) Shares of Rs. 10 each	86.48	-	-
Exide Industries Ltd 31,100 (Nil) Shares of Re. 1 each	69.65	-	-
Greenlam Industries Ltd 6,328 (Nil) Shares of Rs. 10 each	40.07	-	-
Gujarat Heavy Chem.Ltd 20,776 (Nil) Shares of Rs. 10 each	55.25	-	-
HDFC Bank Ltd 6,985 (Nil) Shares of Rs. 2 each	100.74	-	-
Manapuram Finance Ltd 91,620 (Nil) Shares of Rs. 2 each	89.80	-	-
Maruti Suzuki Ltd 1,560 (Nil) Shares of Rs. 10 each	93.99	-	-
Neuland Laboratories Ltd 6,500 (Nil) Shares of Rs. 10 each	96.73	-	-
ITD Cementation Ltd 39,090 (Nil) Shares of Rs. 10 each	66.90	-	-
Navin Fluorine Intl Ltd 2,400 (Nil) Shares of Rs. 10 each	73.05	-	-
SP Appareals Ltd. 13,267 (Nil) Shares of Rs. 10 each	57.24	-	-
<b>B</b>	<b>1,526.99</b>	<b>58.09</b>	<b>149.43</b>
<b>Investments in Mutual Fund</b>			
Reliance Liquid Fund (8 (Nil) Units)	0.08	-	-
<b>C</b>	<b>0.08</b>	<b>-</b>	<b>-</b>
<b>Total A+B+C</b>	<b>3,207.90</b>	<b>88.95</b>	<b>149.43</b>

## 9. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016		AS AT APRIL 1, 2015	
Unsecured						
Over six months from due date						
Considered Good	982.80		700.80		987.71	
Considered Doubtful	24.71		24.71		49.71	
	1,007.51		725.51		1,037.42	
Less: Provision for doubtful debts	24.71		24.71		49.71	
	982.80		700.80		987.71	
Others						
Considered Good	62,859.97		62,563.61		67,290.33	
<b>Total</b>	<b>63,842.77</b>		<b>63,264.41</b>		<b>68,278.04</b>	

## 10. CASH AND CASH EQUIVALENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Balances with Banks in Current accounts*	2,658.24	3,222.93	4,036.22
Fixed Deposits with Banks**	15,117.44	12,430.60	10,462.77
Cash on hand	22.30	42.44	53.96
<b>Total</b>	<b>17,797.98</b>	<b>15,695.97</b>	<b>14,552.95</b>

\* Balance with banks in current accounts includes unclaimed dividend of Rs. 0.25 lacs ( For F.Y. 2015-16 it was Rs. 0.25 lacs), & unclaimed fractional entitlement Rs. 0.17 lacs ( For F.Y.2015-16 it was Rs.0.17 lacs).

- \*\* i) Fixed Deposits with banks include deposits of Rs. Nil (For F.Y.2015-16 it was Rs. 3.25 lacs) with maturity of more than 12 months.  
 ii) Fixed Deposits with banks include deposits of Rs. 7.25 lacs (For F.Y.2015-16 it was Rs. 116.25 lacs) with maturity of less than 3 months.  
 iii) Fixed Deposits with banks include deposits of Rs. 14,514.26 lacs (For F.Y.2015-16 it was Rs. 11,792.15 lacs) pledged as collateral securities.  
 iv) Fixed Deposits with banks include deposits of Rs. 595.94 lacs (For F.Y.2015-16 it was Rs. 518.95 lacs) kept as margin money against Bank Guarantees.

## 11. LOANS AND ADVANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Loans & Advances Others*			
Unsecured, considered good	1,619.10	17,044.90	1,451.28
<b>Total</b>	<b>1,619.10</b>	<b>17,044.90</b>	<b>1,451.28</b>

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

## 12. OTHER FINANCIAL ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Derivatives - Foreign Exchange Contracts	3,553.66	697.18	30.64
<b>Total</b>	<b>3,553.66</b>	<b>697.18</b>	<b>30.64</b>

## 13. CURRENT TAX ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Advance Tax	2,131.40	2,009.60	1,980.57
<b>Total</b>	<b>2,131.40</b>	<b>2,009.60</b>	<b>1,980.57</b>

## 14. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Authorised</b>			
2,50,00,000 (2,50,00,000) Equity Shares of Rs. 10 each	2,500.00	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	4,000.00
	6,500.00	6,500.00	6,500.00
<b>Issued, Subscribed and Paid-up</b>			
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each	1,600.68	1,600.68	1,600.68
<b>Total</b>	<b>1,600.68</b>	<b>1,600.68</b>	<b>1,600.68</b>

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

NAME OF THE SHAREHOLDERS	AS AT MARCH 31, 2017		AS AT MARCH 31, 2016		AS AT APRIL 1, 2015	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vipul Prabodh Shah	4,000,050	24.99	4,000,050	24.99	4,000,050	24.99
Nirmala Dinesh Shah	1,800,000	11.25	1,800,000	11.25	1,800,000	11.25
Arvind Tarachand Shah	1,584,450	9.90	1,584,450	9.90	1,584,450	9.90
Priyanshu Arvind Shah	1,215,450	7.59	1,215,450	7.59	1,215,450	7.59
Rasila Arvind Shah	1,200,000	7.50	1,200,000	7.50	1,200,000	7.50
Dharmesh Dinesh Shah	1,150,000	7.18	1,150,000	7.18	1,150,000	7.18
Dinesh Tarachand Shah	1,000,050	6.25	1,000,050	6.25	1,000,050	6.25
<b>Total</b>	<b>11,950,000</b>	<b>74.66</b>	<b>11,950,000</b>	<b>74.66</b>	<b>11,950,000</b>	<b>74.66</b>

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

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Equity shares at the beginning of the year	16,006,800	16,006,800	16,006,800
Equity shares at the end of the year	16,006,800	16,006,800	16,006,800

## 15. OTHER EQUITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Capital Reserves</b>			
As per Last Balance Sheet	298.16	298.16	298.16
<b>Capital Redemption Reserve</b>			
As per Last Balance Sheet	1,986.44	1,986.44	1,986.44
<b>General Reserves</b>			
As per Last Balance Sheet	16,163.67	15,963.67	15,763.67
Add : Transferred from Retained Earnings	200.00	200.00	200.00
	16,363.67	16,163.67	15,963.67
Other Comprehensive Income	(377.55)	(203.37)	-
<b>Retained Earnings</b>			
As per last Balance Sheet	40,953.02	37,376.88	33,601.19
Add: Profit for the Year	4,448.47	4,016.24	4,321.13
Add: Tax on Proposed Dividend of last year reversed	50.24	50.24	-
	45,451.73	41,443.36	37,922.32
Less: Appropriations			
Transferred to General Reserve	200.00	200.00	200.00
Dividend on Equity Shares	240.10	240.10	-
(Dividend per Share Rs. 1.50/-)			
(Previous Year Dividend per Share Rs. 1.50/-)			
Tax on Dividend	50.24	50.24	-
Adjustment relating to Fixed Assets	-	-	207.12
Provision for Tax of Earlier Years written off	16.20	-	138.32
	506.54	490.34	545.44
<b>Total</b>	<b>63,215.91</b>	<b>59,197.92</b>	<b>55,625.15</b>

## 16. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Unsecured Loans</b>			
Loan from Related Party- Directors	2,500.00	2,253.86	2,031.95
<b>Total</b>	<b>2,500.00</b>	<b>2,253.86</b>	<b>2,031.95</b>

## 17. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Deferred Tax Liability on account of : Property, Plant & Equipment	5,253.95	5,276.95	5,689.99
<b>(A)</b>	<b>5,253.95</b>	<b>5,276.95</b>	<b>5,689.99</b>
Deferred Tax Asset on account of :			
(i) Provision for Doubtful Debts	-	-	8.49
(ii) Gratuity Liability	163.35	118.17	59.92
(iii) Others	8.55	55.23	3.12
<b>(B)</b>	<b>171.90</b>	<b>173.40</b>	<b>71.53</b>
<b>Deferred Tax Liability (A-B)</b>	<b>5,082.05</b>	<b>5,103.55</b>	<b>5,618.46</b>

## 18. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Provision for Employee Benefits</b>			
Provision for Gratuity	472.11	341.56	181.75
<b>Total</b>	<b>472.11</b>	<b>341.56</b>	<b>181.75</b>

## 19. NON CURRENT TAX LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Taxation	5,826.89	6,472.93	4,527.33
<b>Total</b>	<b>5,826.89</b>	<b>6,472.93</b>	<b>4,527.33</b>

## 20. OTHER NON-CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Deferred Income (Liability)	689.00	306.12	135.39
<b>Total</b>	<b>689.00</b>	<b>306.12</b>	<b>135.39</b>

## 21. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Secured Loans</b>			
Working Capital Loan from Banks	71,446.09	77,070.62	79,226.26
Secured by			
a. Fixed Deposit			
b. Hypothecation of Stock in Trade and Book Debts			
c. Mortgage of Premises at Mumbai & Surat			
d. Guaranteed by some of the Directors in their personal capacity			
<b>Unsecured Loans</b>			
Loan from Related Party- Directors	3,961.79	2,737.79	2,180.79
<b>Total</b>	<b>75,407.88</b>	<b>79,808.41</b>	<b>81,407.05</b>

## 22. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Creditors for Goods</b>			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Others	26,081.60	16,434.32	19,063.66
<b>Creditors for Processing</b>			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Others	1,694.51	1,182.01	851.05
<b>Total</b>	<b>27,776.11</b>	<b>17,616.33</b>	<b>19,914.71</b>



**23. OTHER FINANCIAL LIABILITIES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Derivatives - Foreign Exchange Contracts	75.93	202.92	26.64
<b>Total</b>	<b>75.93</b>	<b>202.92</b>	<b>26.64</b>

**24. CURRENT TAX LIABILITIES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Provision for Taxation	2,275.74	2,081.26	1,945.60
<b>Total</b>	<b>2,275.74</b>	<b>2,081.26</b>	<b>1,945.60</b>

**25. OTHER CURRENT LIABILITIES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Unclaimed Dividend	0.25	0.24	0.24
Other Payables*	792.05	767.14	2,854.49
<b>Total</b>	<b>792.30</b>	<b>767.38</b>	<b>2,854.73</b>

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

**26. REVENUE FROM OPERATIONS**

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Sale of Products	269,455.76	236,767.85
Sale of Services	195.91	493.94
<b>Total</b>	<b>269,651.67</b>	<b>237,261.79</b>

**26.1. PARTICULARS OF SALE OF PRODUCTS**

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Diamonds	232,057.78	206,433.77
Jewellery	36,691.69	29,845.52
Power- Windmill	706.29	488.56
<b>Total</b>	<b>269,455.76</b>	<b>236,767.85</b>

**27. OTHER INCOME**

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Dividend Income	256.57	253.99
Miscellaneous Receipts	3.79	1.27
Fair Value Gain / (loss) on Investments	412.60	(89.37)
Insurance Claim Received- Polish	47.19	-
Interest on Sovereign Bond	0.16	-
Service Tax Refund	50.86	-
Duty Benefit on import of machinery	29.90	2.64
Net gain/(loss) on sale of Investments	11.81	3.22
<b>Total</b>	<b>812.88</b>	<b>171.75</b>

**28. COST OF MATERIALS CONSUMED**

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Stock at the Commencement	16,408.77	18,079.74
Purchases during the year	214,252.25	160,677.68
	230,661.02	178,757.42
Less : Stock at the Close	20,379.94	16,408.77
<b>Total</b>	<b>210,281.08</b>	<b>162,348.65</b>

**28.1. COST OF MATERIALS CONSUMED**

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Rough Diamonds	192,477.77	147,237.71
Others	17,803.31	15,110.94
<b>Total</b>	<b>210,281.08</b>	<b>162,348.65</b>

**29. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS & FINISHED GOODS**

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Variation in Stock of Work In Progress		
Stock at the Commencement	2,291.17	2,060.55
Less: Stock at the Close	4,026.40	2,291.17
	(1,735.23)	(230.62)
Variation in Stock of Finished Goods		
Stock at the Commencement	21,766.36	34,469.46
Less: Stock at the Close	31,786.17	21,766.36
	(10,019.81)	12,703.10
<b>Total</b>	<b>(11,755.04)</b>	<b>12,472.48</b>

**30. EMPLOYEE BENEFITS EXPENSE**

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Salary & Bonus	3,276.14	2,480.47
Director's Remuneration	600.00	480.00
Wages	722.05	592.18
Gratuity	97.88	61.10
Ex Gratia & Leave Encashment	151.82	86.25
Labour Welfare Fund Expenses	0.69	0.62
Contribution to Provident Fund	218.83	192.91
Insurance	2.34	23.32
Contribution to E.S.I.C.	35.56	28.23
Staff Welfare Expenses	16.58	11.17
<b>Total</b>	<b>5,121.89</b>	<b>3,956.25</b>

## 31. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Interest Expense	2,088.98	1,580.11
Other borrowing costs	356.37	331.37
Other Interest*	0.36	0.12
<b>Total</b>	<b>2,445.71</b>	<b>1,911.60</b>

\* Includes interest on late payment of Service Tax.

## 32. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
<b>Manufacturing Expenses</b>		
Processing Expenses	17,863.68	15,881.17
Electricity, Power & Fuel	414.99	427.90
Consumables	205.65	210.66
Factory Expenses	88.23	56.46
	18,572.55	16,576.19
<b>Administrative / Selling &amp; Distribution Expenses</b>		
Bank Commission & Charges	231.43	212.75
Financial Guarantee Commission (Net)	(42.21)	(36.93)
Electrical Charges	134.05	141.74
Telephone, Internet and Fax Charges	86.73	82.42
Local Travelling and Conveyance	74.17	69.10
Legal & Professional fees	292.54	175.58
Audit Fees	12.04	5.17
Printing & Stationery	49.83	47.53
Repairs & Maintenance (Other)	181.05	102.21
Repairs & Maintenance (Building)	29.18	3.44
Repairs & Maintenance (Plant & Machinery)	167.34	132.07
Repairs & Maintenance (Windmill)	220.95	196.24
Postage and Courier	79.35	64.20
Rates & Taxes	29.61	27.93
Motor Car Expenses	62.31	58.36
Provision for Doubtful Debts Written Back	-	(24.99)
Bad Debts (net of Recovery)	438.96	19.59
Insurance Premium	140.90	221.07
Rent & Compensation	199.37	160.16
Donation	33.65	15.51
CSR Expenditure	104.90	34.50
Office Canteen Expenses	82.25	76.16
Office Expenses	18.94	33.95
Director's Sitting Fees	1.49	1.57
Sundry Expenses	103.82	84.20
Security Charges	62.43	53.03
Registration & Filing Charges	0.76	1.20
Wealth Tax	-	2.76
Membership and Subscription	22.44	33.89
Advertisement	44.89	58.33
Sales Expenses	95.88	119.35
Entertainment Expenses	60.34	109.42
Foreign Travelling	138.31	182.08
Commission on Sales	227.68	208.44
Re-Assortment Charges	19.27	21.21
Freight & Clearing Charges	177.42	154.97
Agency Charges	22.57	16.44
E.C.G.C. Premium	178.15	229.55
Diamond Grading Charges	847.96	149.01
Packing Expenses	46.75	46.54
	4,677.50	3,289.75
<b>Total</b>	<b>23,250.05</b>	<b>19,865.94</b>

**33. EXCEPTIONAL ITEMS**

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Net gain/(loss) on sale of Fixed Assets	(44.14)	(85.72)
<b>Total</b>	<b>(44.14)</b>	<b>(85.72)</b>

**34. First time IndAS adoption Reconciliations:**

The difference between the carrying amounts of the assets and liabilities in the financial statements under both IndAS and Previous GAAP as of the Transition date have been recognized directly in "Retained Earnings" at the Transition date. This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 1st, 2015 and the financial statements as at and for the year ended March 31st, 2016.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to IndAS in accordance with IndAS 101:

- Equity as at April 1st, 2015
- Equity as at March 31st, 2016
- Profit for the year ended March 31st, 2016
- Explanation of material adjustments to cash flow statements

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the IndAS presentation

**Reconciliation of Standalone Equity**

(Rs. in Lacs)

PARTICULARS	As at 1st April 2015			As at 31st March 2016			Relevant Notes
	Amount as per IGAAP	Effect of transition to IndAs	Amount as per IndAs	Amount as per IGAAP	Effect of transition to IndAs	Amount as per IndAs	
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, Plant & Equipment	15,979	9,820	25,799	15,198	9,935	25,133	1
Capital Work-In-Progress	2,691	-	2,691	2,931	-	2,931	
<b>Financial Assets</b>							
i) Non Current Investments	348	174	522	348	210	558	2
ii) Long Term Loans & Advances	566	(105)	461	406	(72)	334	3
iii) Other Financial Assets	-	278	278	358	3	361	
Non Current Tax Assets	4,596	-	4,596	6,579	-	6,579	
Other Non Current Assets	723	(278)	445	570	(3)	567	
	<b>24,903</b>	<b>9889</b>	<b>34,792</b>	<b>26,390</b>	<b>10,073</b>	<b>36,463</b>	
<b>Current Assets</b>							
Inventories	54,634	-	54,634	40,489	-	40,489	
<b>Financial Assets</b>							
i) Current Investments	130	19	149	89	-	89	4
ii) Trade Receivables	68,291	(13)	68,278	63,349	(85)	63,264	5
iii) Cash and Cash Equivalents	14,553	-	14,553	15,696	-	15,696	
iv) Loans & Advances	1,484	(33)	1,451	17,677	(632)	17,045	5
v) Other Financial Assets	-	31	31	-	697	697	6
Current Tax Assets	1,981	-	1,981	2,010	-	2,010	
	<b>141,073</b>	<b>4</b>	<b>141,077</b>	<b>139,310</b>	<b>(20)</b>	<b>139,290</b>	
<b>TOTAL</b>	<b>165,976</b>	<b>9,893</b>	<b>175,869</b>	<b>165,700</b>	<b>10,053</b>	<b>175,753</b>	
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Equity Share Capital	1,601	-	1,601	1,601	-	1,601	
Other Equity	48,530	7,095	55,625	52,149	7,049	59,198	7
	<b>50,131</b>	<b>7,095</b>	<b>57,226</b>	<b>53,750</b>	<b>7,049</b>	<b>60,799</b>	
<b>LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
<b>Financial Liabilities</b>							
i) Long Term Borrowings	4,681	(2,649)	2,032	5,238	(2,984)	2,254	8
Deferred Tax Liabilities (Net)	2,224	3,393	5,617	2,072	3,032	5,104	9
Long Term Provisions	182	-	182	342	-	342	
Non Current Tax Liabilities	4,527	-	4,527	6,473	-	6,473	
Other Non-Current Liabilities	-	135	135	-	306	306	1 & 2
	<b>11,614</b>	<b>879</b>	<b>12,495</b>	<b>14,125</b>	<b>354</b>	<b>14,479</b>	
<b>Current Liabilities</b>							
<b>Financial Liabilities</b>							
i) Short Term Borrowings	79,226	2,181	81,407	77,070	2,738	79,808	8
ii) Trade Payables	19,915	-	19,915	17,616	-	17,616	
iii) Other Financial Liabilities	-	27	27	-	203	203	6
Current Tax Liabilities	1,946	-	1,946	2,081	-	2,081	
Other Current Liabilities	3,145	(290)	2,855	1,058	(290)	767	10
	<b>104,232</b>	<b>1,918</b>	<b>106,149</b>	<b>97,825</b>	<b>2,650</b>	<b>100,475</b>	
<b>TOTAL</b>	<b>165,976</b>	<b>9,893</b>	<b>175,869</b>	<b>165,700</b>	<b>10,053</b>	<b>175,753</b>	



## Reconciliation of Total Comprehensive Income for the year ended 31.03.2016

(Rs. in Lacs)

	Particulars	Amount as per IGAAP	Effect of transition to IndAs	Amount as per IndAs	Relevant Notes
I	Revenue From Operations	237,124	138	237,262	11
II	Other Income	189	(17)	172	12
III	<b>Total Income (I + II)</b>	<b>237,313</b>	<b>121</b>	<b>237,434</b>	
IV	EXPENSES				
	Cost of Materials Consumed	162,031	318	162,349	11
	Purchases of Stock-in-Trade	29,789	-	29,789	
	Changes in inventories of finished goods, Stock-in-Trade and work in progress	12,472	-	12,472	
	Employee benefits expense	4,159	(203)	3,956	13
	Finance costs	1,722	189	1,912	14
	Depreciation and amortization expense	1,362	59	1,422	1
	Other expenses	19,903	(37)	19,866	2
	<b>Total expenses (IV)</b>	<b>231,439</b>	<b>327</b>	<b>231,766</b>	
V	Profit/(Loss) before exceptional items and tax (I-IV)	<b>5,874</b>	<b>(206)</b>	<b>5,668</b>	
VI	Exceptional Items - Income / (Loss)	(86)	-	(86)	
VII	Profit/(Loss) before tax (V-VI)	<b>5,788</b>	<b>(206)</b>	<b>5,582</b>	
VIII	Tax expense				
	(1) Current tax	2,081	-	2,081	
	(2) Deferred tax	(152)	(363)	(515)	9
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	<b>3,859</b>	<b>157</b>	<b>4,016</b>	
X	Other Comprehensive Income				
	(i) Items that will not be reclassified to profit or loss	-	(203)	(203)	13
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	
XI	Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	<b>3,859</b>	<b>(46)</b>	<b>3,813</b>	

## Notes to the Reconciliations:

## 1. Property Plant &amp; Equipment:

As per 'the deemed cost' exception given in paragraphs D5 and D6 to IndAS 101, any item of property, plant and equipment can be measured at the date of transition to Ind AS at its fair value or at revalued amount. The Previous GAAP revalued amount can be considered as deemed cost if the revaluation was, at the date of the revaluation, broadly comparable to either the fair value or cost or depreciated cost in accordance with IndAS.

In accordance with above, upon transition to IndAS, the various items of Fixed Tangible Assets have been valued as follows:

- Land & Buildings amounting to Rs. 2,991 Lacs have been measured at Fair Market Value on transition date and the fair market value of Rs.12,811 Lacs has been considered to be the 'deemed cost' of these assets.
- Assets amounting to Rs. 12,988 Lacs have been revalued in accordance with IndAS and the Previous IGAAP revalued amounts have been considered to be the 'deemed cost' of these assets.
- The above changes have led to an increase in the total value of PPE to the tune of Rs.9,820 Lacs as on the transition date, which has been recognised in Equity as a part of "Retained Earnings".
- The estimates of useful lives of Land and Buildings have been revised upon fair market valuation and accordingly the revised depreciation has been calculated. In the first year of transition the additional differential depreciation as per IndAS amounted to Rs.59 Lacs.
- For import of machinery under EPCG license, the custom duty saved in the FY 2015-2016 amounted to Rs.174 Lacs. This has led to increase in PPE account and since the benefits of this would be available in subsequent years, it has been credited to "Other non-current Liabilities" account in FY 2015-2016.
- The impact of 'deemed cost' as well as revised depreciation and custom duty savings on the PPE for the FY 2015-2016 was Rs. 9,935 Lacs.

The changes to the total PPE account as on the transition date and as at the end of first year of transition have been summarized as follows:

Particulars	(Rs. in Lacs)	Particulars	(Rs. in Lacs)
<b>As on 01-04-2015</b>		<b>FYI 2015 - 2016</b>	
Land & Buildings	2,991	Land & Buildings (1/4/2015)	2,991
Other PPE	12,988	Other PPE (1/4/2015)	12,988
<b>Total PPE as per IGAAP (1/4/2015)</b>	<b>15,979</b>	<b>Total PPE as per IGAAP (1/4/2015)</b>	<b>15,979</b>
<b>(+/-) IndAs Adjustments</b>		<b>For FY 2015 -2016</b>	
Deemed Cost Adjustment (Land & Bldg)	9,820	Additions/Deductions	581
<b>PPE as per IndAS (1/4/2015)</b>	<b>25,799</b>	Depreciation for 15-16 IGAAP	(1,362)
		<b>Total PPE as Per IGAAP (31/3/2016)</b>	<b>15,198</b>
		<b>(+/-) IndAS Adjustments</b>	
		Deemed Cost Adjustment (Land & Bldg)	9,820
		Additional IndAS Depn	(59)
		Custom Duty Saved	174
		<b>Total IndAs Adjustments</b>	<b>9,935</b>
		<b>PPE as per IndAS (31/3/2016)</b>	<b>25,133</b>

## 2. Non-Current Investments &amp; Other Non-Current Liabilities:

As per Indian GAAP, Non-Current investments are carried at cost. However the same need to be fair valued as per IndAS 109. Non-current investments of the Company are the investments made in equity instruments in wholly owned subsidiaries. Provision of Financial Guarantees on behalf of subsidiaries is accounted in accordance with IndAS 109 at fair value on transition date and at subsequently at amortised cost using the effective interest method.

As on April 1st, 2015, the Financial Guarantees given by the Holding company to different financial institutions favouring its subsidiaries namely Asian Star Trading (Hongkong) Ltd, Asian Star Jewels Pvt. Ltd and Asian Star DMCC have been fair valued in accordance with IndAS 109 at Rs.173 Lacs. This has led to an increase in the value of "Non-current investments" to the tune of Rs.173 Lacs as on 1/4/2015. The inception dates of these guarantees were before the transition date, hence the value upto the date of transition of Rs. 38 Lacs has been adjusted in Equity as a part of "Retained Earnings". And the balance amount (after transition date till the end of tenure of the guarantees), which will be recognised as income in subsequent years of Rs.135 Lacs has been transferred to "Deferred Income" and is reflected under "Other Non-Current Liabilities" as on 1/4/2015.

Out of the above Deferred Income, the guarantee commission income pertaining to the FY 2015-2016 calculated based on effective interest method amounted to Rs. 37 Lacs. This amount is recognized as income and it has been recognized as a deduction from "Other expenses" account in the Profit & Loss Statement and as a deduction from "Deferred Income" from "Other Non-Current Liabilities".

During the FY 2015-2016, additional guarantee was issued in favour of Asian Star Trading (Hongkong) Ltd, this has led to increase in the value of Non-Current Assets and Other Non-Current Liabilities by additional 36 Lacs.

The changes to the Non-Current Investments & Other Non-Current Liabilities as on the transition date and as at the end of first year of transition have been summarized as follows:

Non Current Investments		Other Non-Current Liabilities	
Particulars	(Rs.in Lacs)	Particulars	(Rs.in Lacs)
<b>As on 01-04-2015</b>		<b>As on 01-04-2015</b>	
As per IGAAP	348	As per IGAAP	-
<b>(+/-) IndAs Adjustments</b>		<b>(+/-) IndAs Adjustments</b>	
Financial Guarantees	173	Financial Guarantees (deferred component)	135
<b>As per IndAS as on 1/4/2015</b>	<b>521</b>	<b>As per IndAS as on 1/4/2015</b>	<b>135</b>

Non Current Investments		Other Non-Current Liabilities	
Particulars	(Rs.in Lacs)	Particulars	(Rs.in Lacs)
<b>As on 31/3/2016</b>		<b>As on 31/3/2016</b>	
As per IGAAP	348	As per IGAAP	-
<b>(+/-) IndAs Adjustments</b>		<b>(+/-) IndAs Adjustments</b>	
Financial Guarantees (1/4/2015)	173	Financial Guarantees (1/4/2015)	135
Financial Guarantees (FY 2015-2016)	36	Financial Guarantees (FY 2015-2016)	36
		Custom Duty Saved	174
		Income for FY 2015-2016	(39)
<b>As per IndAS as on 31/3/2016</b>	<b>557</b>	<b>As per IndAS as on 31/3/2016</b>	<b>306</b>

### 3. Long Term Loans & Advances:

As per Indian GAAP, the Loans given to Subsidiary Companies were being carried at Historical Costs less repayments. However, as per IndAS 109, these Loans need to be fair valued on the transition date and subsequently carried at amortised cost using effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

As on April 1st, 2015, the Long Term Loans and Advances as per Indian GAAP were Rs. 565 Lacs. As per IndAS the fair value is Rs. 461 Lacs. The above difference of Rs. 104 Lacs has been deducted from Equity as part of "Retained Earnings". Similarly, Rs. 72 Lacs of interest on loan to subsidiary are deducted from Finance costs for 31/03/2016.

### 4. Current Investments

The Aggregate carrying value of quoted investments as per Indian GAAP as on April 1st, 2015 was Rs. 129 Lacs. However the Fair Market value of these investments as on the same date was Rs. 149 Lacs. Hence, the value of Current investments has increased as per IndAS to the extent of this difference of Rs. 19.96 Lacs. This difference has also been recognised in Equity as part of "Retained Earnings".

### 5. Trade Receivables and Current Loans & Advances

As per IndAS, the assets and liabilities needed to be regrouped. These regrouping entries in Trade Receivables account and Current Loans & Advances account amounted to Rs. 46 Lacs as on the transition date and corresponding impact is in "Retained Earnings" and for 31/03/2016, the regrouping entries in Trade Receivables account and Current Loans & Advances account amounted to Rs. 632 Lacs with corresponding impact in "Other Financial Assets" and the difference on account of correct FVTPL accounting of financial instruments as per IndAS amounted to Rs. 85 Lacs, which has been reflected in "Revenue from Operations & Cost of Material Consumed."

### 6. Other Financial Assets and Other Financial Liabilities

The derivatives related receivables and payables were being grouped under different accounting heads under IGAAP. However, in accordance with IndAS 32 and IndAS109, these have been reclassified into "Other Financial Assets and Other Financial Liabilities accounts". The accounting methodology adopted as per IndAS is calculation of MTM gains/losses, which are valued at Fair market value. Accordingly these adjustments have been made in "Retained Earnings" to the tune of Rs. 4 Lacs on the transition date and for 31/03/2016, adjustment of Rs. 494 Lacs have been made to "Revenue from Operations & Cost of Materials Consumed".

### 7. Other Equity

As on April 1, 2015, the "Other Equity" amount as per Indian GAAP was Rs. 48,529 Lacs. With the adoption of various IndAS as on the Transition date, the amounts of Various Assets and Liabilities have undergone adjustments. These adjustments have been detailed in the various explanatory notes forming part of this report. All these adjustments have cumulatively impacted the "Other Equity" and are disclosed separately under the heading "Retained Earnings". The impact on "Retained Earnings" is Rs. 7,095 Lacs as on the transition date as follows:

Other Equity - Retained Earnings	
Particulars	(Rs. in Lacs)
As on 01/4/2015	
As per IGAAP	48,530
<b>(+/-) IndAS Adjustments</b>	
Deemed Cost Adjustment (Land & Bldg)	9,820
Financial Guarantees (1/4/2015)	38
Subsidiary Loans fair valuation	(104)
Fair Valuation of Investments	19
Reclassification upon transition	(46)
Derivatives Fair valuation	4
Promoters Loans fair valuation	468
Deferred Tax adjustment	(3,393)
Dividend adjustment	290
<b>Total IndAS Adjustments</b>	<b>7,095</b>
<b>As per IndAS as on 1/4/2015</b>	<b>55,625</b>

Similarly for 31/03/2016, adjustments have cumulatively impacted the "Other Equity" by Rs. 7,049 Lacs. Rs. 7,095 Lacs as above less Rs. 46 Lacs as per reconciliation of total comprehensive income as shown above.

### 8. Long Term & Short Term Borrowings

Promoters loans have been fair valued as per IndAS 109 using effective interest method, due to which reclassification from long term category to short term category has been made to the tune of Rs. 2,180 Lacs and Rs. 468 Lacs have been adjusted to "retained earnings" as on the transition date and for 31/03/2016, Rs. 2,738 Lacs have been reclassified from long term category to short term category and Rs. 246 Lacs have been adjusted to "Finance Costs".

### 9. Deferred Tax Liabilities (net)

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

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

As on April 1st, 2015 the deferred tax liability already calculated on timing differences between depreciation as per Companies Act compared to depreciation allowable as per Income Tax Act was Rs. 2,224 Lacs. With the adoption of IndAS, there are various adjustments to the amounts of assets and liabilities (which have been identified under various notes in this document). These adjustments will also have an impact on the tax of the Company as per Indian Income Tax laws. The identified difference between the IndAS balance sheet amounts as compared to the Income Tax Balance Sheet amounts as on April 1, 2015 is Rs. 5,618 Lacs. This would impact the deferred tax liability to the extent of Rs. 3,393 Lacs. This has been deducted from Equity as part of "Retained Earnings". Similarly for 2015-16, the reworked deferred tax liability based on IndAS caused a reduction in the liability amount to the tune of Rs. 363 Lacs. Hence the cumulative impact in 2015 - 16 is Rs. 3,032 Lacs.

**10. Other Current Liabilities**

As per IndAS 10, if an entity declares dividends to holders of equity instruments (as defined in IndAS 32, Financial Instruments: Presentation), after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period. The dividends, declared after the reporting period but before the financial statements are approved for issue, are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are however, disclosed in the notes in accordance with IndAS 1, Presentation of Financial Statements.

Under IGAAP, dividend proposed after the date of the financial statements but prior to the approval of financial statements is considered as an adjusting event, and a provision for dividend payment is recognised in the financial statements of the period to which the dividend relates. Under IndAS, dividend declaration is considered as a non-adjusting subsequent event and provision for dividends is recognised only in the period when the dividend is declared and approved.

As on April 1, 2015, the Proposed Equity dividend was 240 lacs and the tax on proposed equity dividend was Rs. 50 Lacs. This total amount of Rs. 290 Lacs has been reduced from Other Current Liabilities and correspondingly in Equity as part of "Retained Earnings". Similar adjustment of Rs. 290 Lacs has been made for 31/03/2016.

**11. Revenue from Operations & Cost of Materials Consumed**

The gains / losses on account of Financial instruments valued at FVTPL as per IndAS has led to transition differences of Rs. 138 Lacs and Rs. 318 Lacs respectively in revenue from Operations & cost of material consumed in the first year of transition.

**12. Other Income**

Net losses on account of fair market valuation of investments amounted to Rs. 20 lacs & benefit of custom duty amounted to Rs. 3 Lacs in the first year of transition.

**13. Employee benefits expense & other Comprehensive Income**

Actuarial Loss on plan assets for gratuity as on 31.03.2016 as per IndAS amounted to Rs. 203 Lacs, which has been deducted from P&L Statement and transferred to other Comprehensive Income.

**14. Finance costs**

The IndAS transition adjustment of Rs. 189 Lacs in the first year of transition consists of interest income on Loans given to Subsidiary and interest expense on loans availed from Promotors as per IndAS 109 calculated as per effective interest method

**EXPLANATION OF MATERIAL ADJUSTMENTS TO THE STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2016**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**35. During the year, Company has recognized the following amounts in the financial statements:****a) Defined Contribution Plan**

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

PARTICULARS	(Rs. in Lacs)
Employers Contribution to Provident Fund & Family Pension Fund	219
Employers Contribution to Employees State Insurance Scheme	36
Employers Contribution to Labour Welfare Fund	1

**b) Defined Benefit Plan:**

Defined benefits plan as per actuarial valuation as on March 31st, 2017 and recognized in the financial statement in respect of Employee Benefits Scheme:

Disclosure Statement as per Ind AS 19:	Gratuity (Funded) (Rs. in Lacs)
<b>I) Assumptions</b>	<b>(%)</b>
a) Expected Return on Plan Assets	7.34 %
b) Rate of Discounting	7.34 %
c) Rate of Salary Increase	5.00 %
d) Rate of Employee Turnover	2.00 %
<b>II) Change in Present value of Projected Benefit Obligation</b>	
a) Present value of benefit obligation at beginning of the year	836
b) Current Service Cost	70
c) Interest Cost	68
d) Benefit Paid from the fund	(44)
e) Actuarial (gain)/loss on obligation	179
f) Present value of obligation as at end of the year	1,109
<b>III) Change in fair value of Plan Assets</b>	
a) Fair value of the Plan Assets at the beginning of the year	495
b) Interest Income	40
c) Contributions by the Employer	142
d) Benefit Paid from the fund	(44)
e) Return on Plan Assets, Excluding Interest Income	5
f) Fair value of Plan Assets at the end of the year	637
<b>IV) Amount Recognized in the Balance Sheet</b>	
a) Present value of benefit obligation at the end of the year	(1109)
b) Fair Value of Plan Assets at the end of the year	637
c) Funded Status (Surplus/ (Deficit))	(472)
d) Net Liability / Asset Recognized in the Balance Sheet	(472)
<b>V) Expenses Recognized in the Statement of Profit &amp; Loss</b>	
a) Net Interest Cost	28
b) Current Service Cost	70
c) Expenses recognized in Profit & Loss Statement	98
<b>VI) Expenses Recognized in the Other Comprehensive Income (OCI) for Current period</b>	
a) Actuarial (Gains)/Losses on Obligation for the Period	179
b) Return on Plan Assets, excluding Interest Income	(5)
c) Net (Income)/Expense for the Period Recognized in OCI	174
<b>VII) Sensivity Analysis</b>	
Projected Benefit Obligation on Current Assumptions	1,109
Delta effect of +1% change in rate of Discounting	(104)
Delta effect of -1% change in rate of Discounting	122
Delta effect of +1% change in rate of Salary Increase	123
Delta effect of -1% change in rate of Salary Increase	(107)
Delta effect of +1% change in rate of Employee Turnover	24
Delta effect of -1% change in rate of Employee Turnover	(27)



**36. Events after the reporting period**

The Board of Directors have recommended dividend of Rs. 1.50 per fully paid up equity share of Rs. 10/- each, aggregating to Rs. 290 Lacs, including Rs. 50 Lacs dividend distribution tax for the financial year 2016-2017, which is based on relevant share capital as on March 31st, 2017. The actual dividend amount will be dependent on the relevant share capital outstanding on the record date / book closure.

**37. Taxation**

Income tax recognized in statement of profit and loss:

(Rs. in Lacs)

	2016-2017	2015-2016
Current tax	2,276	2,081
Deferred tax	(22)	(515)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>2,254</b>	<b>1,566</b>

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

(Rs. in Lacs)

	2016-2017	2015-2016
Profit before tax	6,747	5,668
Applicable tax rate	34.61%	34.61%
<b>Computed Tax Expense</b>	<b>2,335</b>	<b>1,962</b>
Tax effect of:		
Exempted income	(187)	(107)
Expenses disallowed	787	449
Additional allowances	(704)	(223)
Others	44	-
<b>Current Tax Provision (A)</b>	<b>2,276</b>	<b>2,081</b>
Decremental Deferred tax Liability on account of Tangible Assets	(23)	(413)
Incremental/ (Decremental) Deferred tax Liability on account of other items	2	(102)
Deferred Tax Provision (B)	(21)	(515)
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>2,254</b>	<b>1,566</b>
<b>Effective Tax Rate</b>	<b>33.41%</b>	<b>28.40%</b>

**38. Related Party Disclosure for the year ended March 31st, 2017:**

(i) List of Related Parties and relationships:

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

## (ii) Transactions during the year with Related Parties:

(Rs. in Lacs)

Particulars	Name of the Party	2016 - 2017		2015 - 2016	
		Volume	Amount Outstanding as on 31.03.2017	Volume	Amount Outstanding as on 31.03.2016
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	14,403	3,433	14,000	3,393
	Asian Star Jewels Pvt. Ltd.	6,355	2,125	5,335	2,553
	Jewel Art (Unit-II)	215	213	21	21
Import of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	38	Nil	Nil	Nil
	Dividend Received	243	Nil	252	Nil
Investment in Subsidiary	Asian Star Co. Ltd. (U.S.A)	Nil	179	Nil	179
	Asian Star Trading (Hong Kong)Ltd.	Nil	205	Nil	205
	Asian Star DMCC	Nil	62	Nil	53
	Asian Star Jewels Pvt. Ltd.	Nil	121	Nil	121
Bank Guarantees given (Net)	Asian Star Trading (Hong Kong)Ltd.	Nil	12,968	3,317	13,267
	Asian Star DMCC	Nil	6,484	Nil	6,633
	Asian Star Jewels Pvt. Ltd.	Nil	4,300	Nil	4,300
Loan Repaid by Subsidiary	Asian Star Jewels Pvt. Ltd.	Nil	405	Nil	405
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	8	Nil	7	Nil
Sale of Colour Stone	Asian Star Jewels Pvt. Ltd.	1	Nil	2	Nil
Directors' Remuneration	Dinesh T. Shah	125	Nil	125	Nil
	Arvind T. Shah	125	Nil	125	Nil
	Vipul P. Shah	175	Nil	125	Nil
	Priyanshu A. Shah	100	Nil	75	Nil
	Rahil V. Shah	75	Nil	30	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil	0.96	Nil
	Arvind T. Shah	0.96	Nil	0.96	Nil
	Dharmesh D. Shah	0.72	Nil	0.72	Nil
	Vipul P. Shah	0.96	Nil	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30	Nil	30
	Arvind T. Shah	Nil	30	Nil	30
	Dharmesh D. Shah	Nil	20	Nil	20
	Vipul P. Shah	Nil	30	Nil	30
Unsecured Loans Taken / (Repaid) -(Net)	Dinesh T. Shah	1,300	1,756	18	456
	Arvind T. Shah	167	233	Nil	66
	Dharmesh D. Shah	(285)	1,078	430	1363
	Vipul P. Shah	1,07	2,971	214	2,864
	Priyanshu A. Shah	(65)	424	(105)	489
Contract for Processing of Diamonds	Shah Manufacturers	4,505	287	3,181	(10)
Sale of Jewellery / Sale of Services	Arvind T. Shah	39	Nil	Nil	Nil
	Dharmesh D. Shah	7	Nil	Nil	Nil
	Priyanshu A. Shah	17	Nil	Nil	Nil
	Rahil V. Shah	4	Nil	182	Nil
	Arvind T. Shah - HUF	1	Nil	Nil	Nil
	Himanshu A. Shah	85	20	Nil	Nil
	Pooja P. Shah	34	Nil	Nil	Nil
	Sujata V. Shah	1	Nil	290	Nil
	Rasila A. Shah	2	Nil	Nil	Nil
	Dhwani R. Shah	5	Nil	Nil	Nil
	Urvi D. Shah	1	Nil	Nil	Nil
	Sweta D. Shah	Nil	Nil	7	Nil
Purchase of Raw Gold	Arvind T. Shah	39	Nil	Nil	Nil
	Priyanshu A. Shah	1	Nil	Nil	Nil
	Arvind T. Shah - HUF	1	Nil	Nil	Nil
	Pooja P. Shah	8	Nil	Nil	Nil
	Rasila A. Shah	9	Nil	Nil	Nil

Note: 1. Sale includes VAT.

2. Increase in value of investments is an account of fair valuation of additional guarantee given.

## 39. Corporate Social Responsibility (CSR):

a) Gross amount required to be spent during the year : Rs. 116 Lacs

b) Amount spent during the year :

(Rs. in Lacs)

Sr. No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than above	28	-	28

## 40. Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 is as under:

(Rs. in Lacs)

Particulars	SBNS (Specified bank notes)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	78	12	90
(+) Permitted receipts	2	72	74
(-) Permitted Payments	-	49	49
(-) Amount deposited in banks	80	-	80
Closing cash in hand as on 30.12.2016	-	35	35

41. a) The Company has given guarantee of Rs. 237.52 Crores (For F.Y. 2015-16 it was Rs. 242.00 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. 2015-16 it was Rs. 4.46 Crores).
- c) The Company has disputed liability of Rs. 3.32 Crores (For F.Y. 2015-16 it was Rs. 3.32 Crores) in respect of Customs duty raised by Commissioner of Customs.

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

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

(Rs. in Lacs)

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
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	-	-

## 43. Payment to Auditors:

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Statutory Audit	12.04	5.17
Certification Fees	Nil	0.58
Others	12.73	2.16
<b>TOTAL</b>	<b>24.77</b>	<b>7.91</b>

## 44. Earning Per Share:-

PARTICULARS	2016-2017	2015-2016
Profit After Tax (Rs. In lacs)	4,448	4,016
Number Of Equity Shares	16,006,800	16,006,800
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share(Basic) (Rs.)	27.79	25.09

(Rs. in Lacs)

Sr. No.	PARTICULARS	2016-2017	2015-2016
45.	Value of imported and indigenous consumption - Raw Material		
	▪ Imported Raw material	138,020	97,571
		65.64%	60.10%
	▪ Indigenous Raw material	72,261	64,777
		34.36%	39.90%
	<b>TOTAL</b>	<b>210,281</b>	<b>162,348</b>
46.	Finance Cost charged to Profit & Loss Statement is net of Interest received	1,201	987
47.	Value of Import on CIF Basis Raw Materials	139,456	849,821
48.	Expenditure in Foreign Currency		
	Foreign Traveling	9	33
	Repairs & Maintenance	17	19
	Advertisement	9	9
	Membership & Subscription	13	13
49.	Earning in Foreign exchanges FOB value of Exports	179,961	173,687
50.	Gain/(Loss) on Exchange Fluctuation as recognised in Profit & Loss Statement (net)	9,630	(10,255)
51.	Breakup of remuneration paid to Managing / Whole time Directors		
	a. Salary	600	480
	b. Contribution to Provident & Other Fund	0.22	0.22
	The Company has been advised that the computation of net profit pursuant to section 198 of the Companies Act, 2013 need not be enumerated since no commission has been paid to directors.		

## 52. Financial Instruments Disclosure

## Financial Assets

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>NON-CURRENT</b>			
<b>Investments</b>			
<b>At Cost</b>			
<b>Unquoted, fully paid up In Equity Shares of Subsidiary Companies</b>			
Wholly owned subsidiary- Asian Star Co. Ltd., U.S.A.	179	179	179
Wholly owned subsidiary - Asian Star DMCC	62	53	53
Wholly owned subsidiary- Asian Star Jewels Pvt Ltd	121	121	121
Wholly owned subsidiary- Asian Star Trading (Hongkong)	205	205	169
<b>Aggregate fair value of unquoted Investments</b>	<b>567</b>	<b>558</b>	<b>522</b>
<b>Aggregate book value of unquoted Investments</b>	<b>348</b>	<b>348</b>	<b>348</b>
<b>Gain / (Loss) on fair value recognised in P&amp;L</b>	<b>413</b>	<b>(89)</b>	<b>-</b>
Gain / (Loss) on fair value recognised in Retained earnings	-	-	173
Loans (Secured considered good unless otherwise stated) (refer note 3)			
<b>At Amortised Cost</b>			
Loans to related parties	370	334	461
<b>Total Loans</b>	<b>370</b>	<b>334</b>	<b>461</b>
Other Financial Assets	347	361	278
<b>CURRENT</b>			
<b>i) Investments (refer note 8)</b>			
<b>At Fair Value through Profit and loss</b>			
Classic Diamonds (India) Ltd.	0.01	0.01	0.07
Gitanjali Gems Ltd.	-	-	0.41
Golddian International Ltd.	-	-	0.22
Golkunda Diamonds & Jewellery Ltd.	-	-	0.01
Rajesh Exports Ltd.	-	-	1.17
S. B. & T International Ltd.	-	-	0.01
Shrenuj & Co Ltd.	0.02	0.13	0.85
Winsome Diamonds & Jewellery Ltd.	0.01	0.01	0.01
Vaibhav Global Ltd.	-	-	0.08
Zodiac JRD MKJ Ltd.	-	-	0.01
Tribhovandas Bhimji Zaveri Ltd.	77.85	57.94	146.59
Ratnakar Bank Limited	138.38	30.86	-
Indian Commodity Exchange	1,675.00	-	-
Sovereign Gold Bond Scheme	5.83	-	-
Aarti Industries Ltd	58.96	-	-
Aegis Logistics Ltd	107.86	-	-
APL Apollo Tubes Ltd	61.09	-	-
Astec Lifescience Ltd	73.83	-	-
Aptech Limited	57.45	-	-
CCL Products Ltd	69.89	-	-
Dalmia Bharat Ltd	51.74	-	-
Deep Industries Ltd	86.48	-	-
Exide Industries Ltd	69.65	-	-
Greenlam Industries Ltd	40.07	-	-
Gujarat Heavy Chemicals Ltd	55.25	-	-
HDFC Bank Ltd	100.74	-	-
Manapuram Finance Ltd	89.80	-	-
Maruti Suzuki Ltd	93.99	-	-
Neuland Laboratories Ltd	96.73	-	-
ITD Cementation Ltd	66.90	-	-
Navin Fluorine International Limited	73.05	-	-
SP Appareals Ltd	57.24	-	-
Reliance Liquid Fund- Mutual Fund	0.08	-	-
<b>Aggregate fair value of quoted Investments</b>	<b>3,207.90</b>	<b>88.95</b>	<b>149.43</b>
<b>Aggregate book value of quoted Investments</b>	<b>2,795.22</b>	<b>178.34</b>	<b>129.47</b>
<b>Gain / (Loss) on fair value recognised in P&amp;L</b>	<b>412.60</b>	<b>(89.37)</b>	<b>-</b>
Gain / (Loss) on fair value recognised in Retained Earnings	-	-	19.96



(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
ii) Trade Receivables - At amortised cost	63,843	63,264	68,278
iii) Cash and Cash Equivalents (refer note 10)			
Balances with Banks in Current accounts	2,658	3,223	4,036
Fixed Deposits with Banks	15,117	12,431	10,463
Cash on hand	22	42	54
iv) Loans & Advances (refer note 11)			
Unsecured, considered good - At amortised cost	1,619	17,045	1,451
v) Other Financial Assets			
Derivatives - Foreign Exchange Contracts -At FVTPL	3,554	697	31
<b>Total Financial Assets</b>	<b>91,305</b>	<b>98,404</b>	<b>85,723</b>

**Financial Liabilities**

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>NON-CURRENT</b>			
<b>Borrowings (refer note 16)</b>			
<b>At Amortised cost</b>			
Loans from related parties-directors	2,500	2,254	2,032
<b>CURRENT</b>			
<b>i) Borrowings (refer note 21)</b>			
<b>At Amortised cost</b>			
Secured working Capital Loan from Banks	71,446	77,071	79,226
Loans from related parties-directors	3,962	2,738	2,181
<b>ii) Trade Payables (refer note 22)</b>			
<b>At Amortised Cost</b>			
Creditors for Goods	26,082	16,434	19,064
Creditors for Processing	1,694	1,182	851
<b>iii) Other Financial Liabilities - At FVTPL (refer note 23)</b>			
Derivatives Foreign Exchange contracts	76	203	27
<b>Total Financial Liabilities</b>	<b>105,760</b>	<b>99,882</b>	<b>1,03,381</b>

**Financial Instruments by Category**

(Rs. in Lacs)

PARTICULARS	31.03.2017			31.03.2016			01.04.2015		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>FINANCIAL ASSETS</b>									
<b>Non-Current</b>									
Investments	567	-	-	558	-	-	522	-	-
Loans									
to related parties	-	-	370	-	-	334	-	-	461
Other Financial Assets	-	-	347	-	-	361	-	-	278
<b>Current</b>									
Investments	3,208	-	-	8,89	-	-	149	-	-
Loans									
to others	-	-	1,619	-	-	17,045	-	-	1,451
Trade Receivables	-	-	63,843	-	-	63,264	-	-	68,278
Cash and Cash Equivalents	17,798	-	-	15,696	-	-	14,553	-	-
Derivatives - Foreign Exchange Contracts	3,554	-	-	697	-	-	31	-	-
<b>FINANCIAL LIABILITIES</b>									
<b>Non-Current</b>									
Borrowings	-	-	2,500	-	-	2,254	-	-	2,032
<b>Current</b>									
Borrowings	-	-	75,408	-	-	79,808	-	-	81,407
Trade Payables	-	-	27,776	-	-	17,616	-	-	19,915
Derivatives - Foreign Exchange Contracts	76	-	-	203	-	-	27	-	-

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

**Fair Value Related Disclosures:****Fair Value measurement:**

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

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

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

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

**Valuation Techniques and Inputs used**

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

- Long-term receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses, if any, of these receivables.
- The fair values of the quoted equity shares are based on price quotations at the reporting date (Level 1 inputs).
- The Company enters into derivative financial instruments in the form of Foreign exchange Forwards & Options contracts. The counterparties of these contracts are Banks. These derivatives constitute hedge from an economic perspective and are carried as financial asset when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss. Foreign exchange forward and option contracts are valued using valuation technique, which employ use of market observable inputs. The valuation technique applied is the use of "Quoted prices in active market"

- iv. The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

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

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

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

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

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

#### Comparison by class of carrying amount and fair value of financial instruments.

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

#### Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

(Rs. in Lacs)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:					
PARTICULARS	Date of Valuation	Total	Fair Value measurement using		
			Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
<b>Assets measured at fair value (Note No.2, 8, 10, 12):</b>					
Investments					
Non-Current	31.03.17	567	567	-	-
Current	31.03.17	3,208	1,527	1,681	-
Cash and Cash Equivalents	31.03.17	17,798	17,798	-	-
Derivatives - Foreign Exchange Contracts	31.03.17	3,554	3,554	-	-
<b>Assets for which fair values are disclosed (Note No.3, 4, 9 &amp; 11):</b>					
Loans (Non-current)					
to related parties	31.03.17	370	-	370	-
Other Finances assets	31.03.17	347	347	-	-
Loans (current)					
to others	31.03.17	1,619	-	1,619	-
Trade Receivables	31.03.17	63,843	-	63,843	-
<b>Liabilities measured at fair value (Note No. 23):</b>					
Derivatives - Foreign Exchange Contracts	31.03.17	76	76	-	-
<b>Liabilities for which fair values are disclosed (Note No. 16, 21 &amp; 22):</b>					
Borrowings					
Non-Current	31.03.17	2,500	-	2,500	-
Current	31.03.17	75,408	-	75,408	-
Trade Payables	31.03.17	27,776	-	27,776	-

(Rs. in Lacs)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016:					
PARTICULARS	Date of Valuation	Total	Fair Value measurement using		
			Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
<b>Assets measured at fair value (Note No. 2, 8, 10, 12):</b>					
Investments					
Non-Current	31.03.16	558	558	-	-
Current	31.03.16	89	58	31	-
Cash and Cash Equivalents	31.03.16	15,696	15,696	-	-
Derivatives - Foreign Exchange Contracts	31.03.16	697	697	-	-
<b>Assets for which fair values are disclosed (Note No. 3, 4, 9 &amp; 11):</b>					
Loans (Non-current)					
to related parties	31.03.16	334	-	334	-
Other Finances assets	31.03.16	361	361	-	-
Loans (current)					
to others	31.03.16	17,045	-	17,045	-
Trade Receivables	31.03.16	63,264	-	63,264	-
<b>Liabilities measured at fair value (Note No. 23):</b>					
Derivatives - Foreign Exchange Contracts	31.03.16	203	203	-	-
<b>Liabilities for which fair values are disclosed (Note No. 16, 21 &amp; 22):</b>					
Borrowings					
Non-Current	31.03.16	2,253	-	2,253	-
Current	31.03.16	78,808	-	79,808	-
Trade Payables	31.03.16	17,616	-	17,616	-

(Rs. in Lacs)

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015:					
PARTICULARS	Date of Valuation	Total	Fair Value measurement using		
			Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
<b>Assets measured at fair value (Note No. 2, 8, 10, 12):</b>					
Investments					
Non-Current	01.04.15	521	521	-	-
Current	01.04.15	149	149	-	-
Cash and Cash Equivalents	01.04.15	14,553	14,553	-	-
Derivatives - Foreign Exchange Contracts	01.04.15	30	30	-	-
<b>Assets for which fair values are disclosed (Note No. 3, 4, 9 &amp; 11):</b>					
Loans (Non-current)					
to related parties	01.04.15	461	-	461	-
Other Finances assets	01.04.15	278	278	-	-
Loans (current)					
to others	01.04.15	1,451	-	1,451	-
Trade Receivables	01.04.15	68,278	-	68,278	-
<b>Liabilities measured at fair value (Note No. 23):</b>					
Derivatives - Foreign Exchange Contracts	01.04.15	27	27	-	-
<b>Assets for which fair values are disclosed (Note No. 16, 21 &amp; 22):</b>					
Borrowings					
Non-Current	01.04.15	2,032	-	2,032	-
Current	01.04.15	81,407	-	81,407	-
Trade Payables	01.04.15	19,915	-	19,915	-

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

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

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

#### Other Fair Value related Disclosures

##### Recurring / non-recurring classification of fair value:

All fair value measurements for the period ended 31/3/2017, 31/3/2016 and 1/4/2015 are recurring in nature and there are no Non-recurring fair value measurements of assets or liabilities in these periods.

##### Level 3 inputs related disclosure

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

##### Transfers between Level 1 and Level 2

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

##### Change in Valuation techniques, if any

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

##### Financial risk factors

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

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

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

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

#### Credit risk

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

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

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

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as at March 31st, 2017. Of the total trade receivables Rs. 53,620 Lacs as at March 31, 2017 and Rs. 61,039 Lacs as at March 31st, 2016 consisted of customer balances that were neither past due nor impaired. The Company's Credit risk management policies include categorizing the loans and trade receivables based on estimates of Probability of Default and calculation of Expected Credit Losses (ECL).

Loans and advances include loans given to staff Rs. 25 lacs as at March 31st, 2017 and Rs. 28 lacs as at March 31st, 2016 which the company perceives no impairment loss to be provided for.

#### Financial assets that are past due but not impaired

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

(Rs. in Lacs)

Period in days	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
1-90	3,450	1,286
91-180	153	239
More than 180	982	701
<b>Total</b>	<b>4,585</b>	<b>2,225</b>

#### Liquidity risk

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st, March 2017:

#### Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2017:

(Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	17,112	39,993	14,341	-
Interest on Borrowings	20	-	-	-
Trade payables	20,443	7,134	195	4
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts - Financial Assets	3,499	-	-	54
Net settled derivative contracts - Financial Liabilities	1	74	-	1

#### Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2016:

(Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	11,660	46,888	18,522	-
Interest on Borrowings	4	-	-	-
Trade payables	10,230	7,352	22	13
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts - Financial Assets	316	101	-	280
Net settled derivative contracts - Financial Liabilities	203	-	-	-



**Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 01.04.2015:**

(Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	13,320	50,473	15,433	-
Interest on Borrowings	19	-	-	-
Trade payables	8,417	10,927	279	292
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts - Financial Assets	14	-	-	17
Net settled derivative contracts - Financial Liabilities	17	-	-	9

**Market Risk**

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

**Interest Rate Risk**

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

**Foreign Exchange Risk**

The Company is exposed to foreign exchange risk principally via:

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

**Commodity Risk**

The Company is exposed to the commodity rate risk due to uncertainties in availability of gold and silver for its jewellery operations. Forward contracts for sale of gold entered into by the company and outstanding as on 31st march 2017 covers 63 Kgs. ( for F.Y - 2015-2016 it was for sale of gold 50 Kgs and for purchase of silver 60 Kgs) . Sensitivity analysis for commodity risk is not done as it is not material.

**Sensitivity analysis**

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

**Interest rate risk**

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

(\$ in Lacs)

Particulars	As on 31/03/2017	As on 31/03/2016	As on 01/04/2015
<b>Variable rate borrowings</b>			
Bank Loan	1,102	1,162	1,267

**Interest rate risk sensitivity**

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

(Rs. in Lacs)

Impact on Profit & Loss	31/03/2017	31/03/2016
<b>For \$ Borrowings</b>		
Increase in Interest rate - 50 basis points	(357)	(385)
Decrease in Interest rate - 50 basis points	357	385

**Foreign Currency risk**

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

(\$ in Lacs)

Particulars	As on 31/03/2017	As on 31/03/2016	As on 01/04/2017
<b>Financial Assets</b>			
Trade Receivables	891	818	863
Cash and Cash Equivalents	1	-	30
Derivatives Contracts (Net)	-	520	-
<b>Financial Liabilities</b>			
Borrowings	1,101	1,162	1,267
Trade payables	242	245	237
Derivatives Contracts (Net)	6,191	-	1,369

**Foreign currency risk sensitivity**

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

(Rs. in Lacs)

Particulars	31/03/2017	31/03/2016
USD-INR Increase by 1%	(4,308)	45
USD-INR decrease by 1%	4,308	(45)

**53. Capital Management**

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

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

The capital gearing ratio as on March 31st, 2017 and March 31st, 2016 was 55% and 57%, respectively.

**54. Collaterals**

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

- Fixed deposits - Value Rs. 14,514 lacs
- Hypothecation of Stock in trade and Trade receivables - Value Rs. 1,20,058 lacs
- Mortgage of premises at Mumbai & Surat - Value Rs. 15,371 lacs.

**Defaults**

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

**55. Investment Property**

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

Though the Company measures investment property using cost based measurement, the fair value of investment property is Rs. 5,084 Lacs. Fair values are determined based on an annual evaluation performed by applying a valuation model by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

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

As per our report of even date attached

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

**For and on behalf of the Board**

**NIRAV R. PARIKH**  
Partner  
Membership No. 121674

**APARNA SHINDE**  
Company Secretary

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

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

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

## 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 March 31st, 2017, 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 March 31st, 2017, 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. 47,344 Lacs as at March 31st, 2017, total revenues of Rs. 85,939 Lacs and net cash flows amounting to Rs. 19,352 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 March 31st, 2017, 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, 2017 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, 2017 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 its financial position in its financial statements – Refer Note 41 to the financial statements.
    - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in respect of such items as it relates to the Group, its associates and jointly controlled entities and the Group's share of net profit/loss in respect of its associates.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management.

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

Nirav R. Parikh  
Partner

Membership No: 121674

Place: Mumbai  
Date : May 24, 2017

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

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

We have audited the internal financial controls over financial reporting ASIAN STAR COMPANY LIMITED ("The Company"), as of **March 31st, 2017** 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 judgement, 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 March 31st, 2017, 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  
FR No: 112787W / W100073

Nirav R. Parikh  
Partner  
Membership No: 121674

Place : Mumbai  
Date : May 24, 2017



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a Property, Plant & Equipment	1	26,023.09	26,634.15	27,417.08
b Intangible Assets		2.93	-	6.61
c Capital Work-In-Progress		-	2,931.25	2,691.40
d Investment Property		4,993.01	-	-
		31,019.03	29,565.40	30,115.09
e Financial Assets				
i) Long Term Loans and Advances	2	1,758.75	-	-
ii) Other Financial Assets	3	373.99	411.00	327.52
f Non Current Tax Assets	4	5,968.57	6,885.32	4,873.47
g Other Non-Current Assets	5	520.36	570.90	445.75
		39,640.69	37,432.62	35,761.83
<b>Current Assets</b>				
a Inventories	6	63,012.86	44,738.11	60,003.32
b Financial Assets :				
i) Current Investments	7	3,207.90	88.95	149.43
ii) Trade Receivables	8	86,152.78	86,638.49	87,959.48
iii) Cash and Cash Equivalents	9	29,500.02	46,466.72	22,537.70
iv) Loans and Advances	10	4,327.53	19,027.46	3,275.42
v) Other Financial Assets	11	3,604.33	698.44	30.64
c Current Tax Assets	12	2,353.05	2,168.67	2,171.18
		192,158.47	199,826.85	176,127.18
<b>TOTAL</b>		<b>231,799.16</b>	<b>237,259.47</b>	<b>211,889.01</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a Share Capital	13	1,600.68	1,600.68	1,600.68
b Other Equity	14	82,397.52	76,701.91	69,295.35
		83,998.20	78,302.59	70,896.03
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
a Financial Liabilities :				
i) Long-Term Borrowings	15	2,500.00	2,253.86	2,031.96
b Deferred Tax Liabilities (Net)	16	5,082.08	5,103.58	5,618.46
c Long-Term Provisions	17	910.88	614.42	333.41
d Non Current Tax Liabilities	18	5,830.12	6,544.60	4,595.77
e Other Non-Current Liabilities	19	588.03	171.54	-
		14,911.12	14,688.01	12,579.61
<b>Current Liabilities</b>				
a Financial Liabilities				
i) Short-Term Borrowings	20	95,282.00	110,002.52	88,020.07
ii) Trade Payables	21	33,700.50	30,775.50	28,403.81
iii) Other Financial Liabilities	22	75.93	202.93	26.64
b Short-Term Provisions	23	5.17	5.06	4.38
c Current Tax Liabilities	24	2,405.60	2,187.66	2,055.71
d Other Current Liabilities	25	1,420.64	1,095.20	9,902.76
		132,889.84	144,268.87	128,413.37
<b>TOTAL</b>		<b>231,799.16</b>	<b>237,259.47</b>	<b>211,889.01</b>
Significant Accounting Policies Notes on Financial Statements	1 to 51			

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

**NIRAV R. PARIKH**  
Partner  
Membership No. 121674

**APARNA SHINDE**  
Company Secretary

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

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

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

## CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

PARTICULARS	NOTE	2016 - 2017	2015 - 2016
I. Revenue From Operations	26	349,385.62	330,220.20
II. Other Income	27	717.17	22.09
III. Total Revenue		350,102.79	330,242.29
<b>IV. Expenses:</b>			
Cost of Materials Consumed	28	215,920.24	168,009.92
Purchases of Stock-in-Trade		103,832.04	108,844.40
Changes In Inventories Of Finished Goods, Work-In-Progress & Stock-in-Trade	29	(14,445.43)	13,934.75
Employee Benefits Expense	30	6,541.49	5,196.21
Finance Costs	31	2,758.50	2,199.68
Depreciation and Amortization Expense		1,784.72	1,637.38
Other Expenses	32	24,666.27	21,213.59
<b>Total Expenses</b>		<b>341,057.83</b>	<b>321,035.93</b>
<b>V. Profit Before Exceptional Items &amp; Tax</b>		<b>9,044.96</b>	<b>9,206.36</b>
Exceptional Items Income/(Loss)	33	(44.15)	(84.78)
<b>Profit Before Tax</b>		<b>9,000.81</b>	<b>9,121.58</b>
<b>VI. Tax expense</b>			
Current Tax		2,417.73	2,201.82
Deferred Tax		(21.50)	(514.88)
Minority Interest		8.44	(2.90)
<b>VII. Profit after Tax for the period</b>		<b>6,613.02</b>	<b>7,431.73</b>
<b>VIII. Other Comprehensive Income</b>			
i) Items that will not be reclassified to profit or loss		(132.99)	(396.28)
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>IX Total Comprehensive Income for the period</b>		<b>6,480.03</b>	<b>7,035.46</b>
<b>X. Earnings Per Equity Share:</b>			
Basic and Diluted (In Rs.)		41.31	46.43
Significant Accounting Policies Notes on Financial Statements	1 to 51		

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

**NIRAV R. PARIKH**  
Partner  
MEMBERSHIP NO. 121674

**APARNA SHINDE**  
Company Secretary

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

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

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

Place : Mumbai  
Dated : May 24, 2017

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

PARTICULARS	2016 - 2017	2015 - 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	9,000.81	9,121.58
Adjustment for		
Depreciation	1,784.72	1,637.38
Preliminary Expenses	0.10	0.12
Finance Costs	2,758.50	2,199.68
Unrealised Foreign Exchange (Gain) / Loss	(816.87)	(918.21)
Dividend Received	(13.74)	(1.79)
(Profit)/Loss on Sale of Fixed Assets	44.15	84.78
(Profit)/Loss on Sale of Investments	(11.81)	(3.22)
Diminution in value of Investment written off / (written back)	(412.60)	89.38
Dividend Paid	240.10	-
Tax on Dividend	50.24	-
Wealth Tax	-	2.76
Operating Profit Before Working Capital Changes	12,623.60	12,212.46
Adjustment for		
Receivables	(331.15)	402.78
Inventories	(18,274.74)	15,265.21
Loans & Advances	14,699.94	(15,752.04)
Financial Assets & Liabilities	(3,032.89)	(491.51)
Current Liabilities	2,925.00	2,371.69
Cash generated from / (used in) Operations	8,609.76	14,008.59
Taxation	(2,353.05)	(2,168.67)
Net Cash From / (used in) Operating Activities	6,256.71	11,839.92
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets (Including Capital Work in Progress)	(3,174.03)	(947.69)
Sale of Fixed Assets	1,888.34	34.95
Dividend Received	13.74	1.79
Purchase of Investments	(3,118.95)	60.48
Net Cash from / (used in) Investing Activities	(4,390.90)	(850.47)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings	246.14	221.90
Short Term Borrowings	(14,720.51)	21,982.45
Finance Costs	(2,548.84)	(2,010.66)
Dividend Paid	(240.10)	-
Tax on Dividend	(50.24)	-
Net Cash from / (used in) Financing Activities	(17,313.55)	20,193.69
Net Increase / (Decrease) in Cash & Cash Equivalents	(16,966.70)	23,929.02
Cash & Cash Equivalents as at 1st April (Opening)	46,466.72	22,537.70
Cash & Cash Equivalents as at 31st March (Closing)	29,500.02	46,466.72

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

NIRAV R. PARIKH  
Partner  
MEMBERSHIP NO. 121674  
Place : Mumbai  
Dated : May 24, 2017

APARNA SHINDE  
Company Secretary  
Place : Mumbai  
Dated : May 24, 2017

DINESH T. SHAH  
Chairman & CFO  
DIN-00004685  
Place : Mumbai  
Dated : May 24, 2017

VIPUL P. SHAH  
CEO & Managing Director  
DIN-00004746  
Place : Mumbai  
Dated : May 24, 2017

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

## A. EQUITY SHARE CAPITAL

(Rs. in Lacs)

	Balance at the beginning of the reporting period April 1, 2015	Changes in Equity share capital during the year 2015-16	Balance at the end of the reporting period March 31, 2016	Changes in Equity share capital during the year 2016-17	Balance at the end of the reporting period March 31, 2017
Equity Share Capital	1,600.68	-	1,600.68	-	1,600.68

## B. OTHER EQUITY

(Rs. in Lacs)

PARTICULARS	Reserves and Surplus						Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Minority Interest	Other Comprehensive Income	
<b>AS ON MARCH 31, 2016</b>							
Balance at the beginning of the reporting period i.e. April 1, 2015	294.50	1,986.44	13,413.37	53,685.28	(84.25)		69,295.35
Total Comprehensive Income for the year				7,431.73		(396.28)	7,035.46
Tax on Dividend				(50.24)			(50.24)
Dividend				(240.10)			(240.10)
Tax on Dividend of the last year reversed				50.24			50.24
Transfer to / from retained earnings			200.00	(200.00)			-
Minority Interest adjustments					(43.76)	13.99	(29.77)
Gratuity liability of earlier years				(53.62)			(53.62)
Balance at the end of the reporting period i.e. March 31, 2016	294.50	1,986.44	13,613.37	60,623.30	(128.01)	(382.29)	76,701.91
<b>AS ON MARCH 31, 2017</b>							
Balance at the beginning of the reporting period i.e. April 1, 2016	294.50	1,986.44	13,613.37	60,623.30	(128.01)	(382.29)	76,701.91
Total Comprehensive Income for the year				6,613.02		(132.99)	6,480.03
Tax on Dividend				(50.24)			(50.24)
Dividends				(240.10)			(240.10)
Tax on Dividend of the last year reversed				50.24			50.24
Transfer to / from retained earnings			200.00	(200.00)			-
Provision for tax of Ealier Years written off				(19.75)		421.77	402.02
Minority Interest adjustments					414.56		414.56
Balance at the end of the reporting period i.e. March 31, 2017	294.50	1,986.44	13,813.37	66,776.46	286.55	(93.50)	82,397.52

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

NIRAV R. PARIKH  
Partner  
Membership No. 121674  
Place : Mumbai  
Dated : May 24, 2017

APARNA SHINDE  
Company Secretary  
Place : Mumbai  
Dated : May 24, 2017

DINESH T. SHAH  
Chairman & CFO  
DIN-00004685  
Place : Mumbai  
Dated : May 24, 2017

VIPUL P. SHAH  
CEO & Managing Director  
DIN-00004746  
Place : Mumbai  
Dated : May 24, 2017

## A. CORPORATE INFORMATION

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

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

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

## B. SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of preparation

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

Up to the year ended 31 March, 2015, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). The Financial Statements for the year ended on 31st March, 2017 are the first to have been prepared in accordance with the IND AS. The date of transition to Ind AS is 1 April, 2015. Accordingly, opening balances as on 01st April, 2015 and 31st March, 2016, have been presented comparatively.

These financial statements are in compliance with IndAS 101, "First Time Adoption of Indian Accounting Standards". Refer note 5 for the details of first time adoption exemptions availed as well as Reconciliations upon Transition.

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

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

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

#### i. Revenue recognition

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

#### ii. Useful life of Property, Plant and Equipment

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

#### iii. Income Taxes

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

#### iv. Fair Value

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

### 3. Summary of significant accounting policies

#### a. Use of estimates

Preparation of these financial statements in accordance with IndAS requires management to make judgements on the basis of

certain estimates and assumptions. In addition, the application of accounting policies requires management judgement. Estimates are based on the managements view on past events and future development and strategies. Management reviews the estimates and assumptions on a continuous basis, by reference to past experiences and other factors that can reasonably be used to assess the book values of assets and liabilities.

#### b. Presentation of true and fair view

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

#### c. Going concern

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

#### d. Accrual basis

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

#### e. Materiality

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

#### f. Basis of Measurement

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

#### g. Offsetting

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

#### h. Functional and Presentation Currency

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

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

#### i. Foreign Currency Transactions

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

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

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

#### j. Tangible fixed assets (PPE & CWIP)

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

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

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

As per 'the deemed cost' exception given in paragraphs D5 and D6 to IndAS 101, any item of property, plant and equipment can be measured at the date of transition to IndAS at its fair value or at Previous GAAP revalued amount. The Previous GAAP revalued amount can be considered as deemed cost if the revaluation was, at the date of the revaluation, broadly comparable to either the fair value or cost or depreciated cost in accordance with IndAS.



Capital work in progress (CWIP) 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.

**k. Depreciation on tangible fixed assets**

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

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

**l. Investment property**

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

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

**n. Inventories**

Stock of raw materials, i.e. mainly rough diamonds and gold is stated at moving weighted average cost or net realizable value whichever is lower. Stock of polished diamonds (for jewellery operations) is valued at technically evaluated cost or net realizable value whichever is lower. Specific items of cost are allocated and assigned to inventory wherever practicable.

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

Consumables are valued at cost.

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

**o. Revenue recognition**

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

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

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

**p. Government Grants**

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

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

**q. Retirement and other employee benefits**

**Short Term Employee Benefits**

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

**Defined Contribution plans**

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

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

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

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

**Defined benefit plans**

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

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

**r. Taxes on income**

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

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

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

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

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

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

**s. Earnings per share**

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

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

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

**t. Provisions, contingent liabilities and contingent assets**

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

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

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

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

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

**u. Cash and cash equivalents**

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

**v. Related Party Disclosures**

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

**w. Preliminary Expenses**

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

**x. Dividend**

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

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

	Name of Subsidiary	Country of Incorporation	Percentage of ownership (Previous Year)
1)	Asian Star Co. Ltd.	USA	100 (100)
2)	Asian Star DMCC	UAE	100 (100)
3)	Asian Star Jewels Pvt. Ltd	India	100 (100)
4)	Asian Star Trading (Hongkong) Ltd.	Hongkong	100 (100)
5)	Shah Manufacturers (Partnership firm)	India	-

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

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

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

**z. Segment reporting****Identification of segments**

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

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

**aa. Financial Instruments**

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

**Financial Assets - Trade receivables**

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

**Impairment of Trade receivables**

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

**Financial Assets - Investments**

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

**Financial Assets - Loans and advances to staff**

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

**Impairment of loans and advances to staff**

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

**Financial Liabilities - Interest-bearing borrowings**

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

**Financial Liabilities - Trade payables**

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

**Financial Liabilities - Derivative financial instruments**

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

**Offsetting financial instruments**

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

**4. First Time Adoption of IndAS**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. These financial statements for the year ended 31st March, 2017 are the first financial statements the Company has prepared under Ind AS. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2017, together with the comparative information as at and for the year ended 31st March, 2016 and the opening IndAS Balance Sheet as at 1st April, 2015, the date of transition to IndAS.

**Optional exemptions adopted as per IndAS**

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below.

**Property, plant and equipment (PPE), investment properties and intangible assets:** The Company has availed of the option to use either "the Fair Value of the asset at the date of transition" or the "Previous GAAP revaluation at or before the date of transition" as its deemed cost.

**Investments in subsidiaries, joint ventures and associates:** The Company has adopted to value its investments in subsidiaries, joint ventures and associates at deemed cost, which is the previous GAAP carrying amount at the date of transition.

**5. Cumulative translation differences:** The Company has elected to apply IndAS 21. The effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to IndAS by transforming it to retained earnings.

**Mandatory exceptions from retrospective application of IndAS**

In addition to the optional exceptions discussed above, The Company has applied the following mandatory exceptions under IndAS 101:

**Estimates:** The estimates made under previous GAAP (Indian GAAP) have not been changed by using subsequent information at the IndAS transition date except change in the estimates of useful lives of Land & building. The other estimates as per IGAAP can be changed in future only in case of an error or if the estimates not earlier required under Indian GAAP would be required under IndAS.

**Classification and measurement of financial assets:** The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made considering whether the conditions of IndAS 109 are met on the basis of the facts and circumstances that existed on the date of transition to IndAS.

**6. Functional and Presentation Currency**

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

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****1. PROPERTY, PLANT & EQUIPMENT**

(Rs. in Lacs)

Description of Assets	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK	
	As at April 1, 2016	Additions	Deduction	As at March 31, 2017	As at April 1, 2016	For the Year	Deduction	As at March 31, 2017	As at March 31, 2017
<b>Tangible Assets</b>									
Land	5,889.15	192.19	5.00	6,076.34	-	-	-	-	6,076.34
Office Premises	4,534.73	-	1,898.93	2,635.80	177.23	177.23	-	354.46	2,281.35
Factory Premises	6,204.56	-	-	6,204.56	421.24	144.99	-	566.23	5,638.33
Plant & Machinery	14,165.22	2,473.73	129.60	16,509.35	5,268.18	964.22	65.09	6,167.31	10,342.04
Vehicles	662.33	273.04	43.99	891.38	335.99	96.21	38.72	393.48	497.90
Furniture & Fixtures	1,356.02	29.34	-	1,385.36	831.21	169.87	-	1,001.07	384.28
Office Equipments	1,800.94	56.68	-	1,857.62	1,036.41	155.86	-	1,192.27	665.34
Computer	604.53	145.17	-	749.70	542.94	69.26	-	612.20	137.49
<b>Intangible Assets</b>									
Computer Software	14.25	3.88	-	18.13	14.25	0.95	-	15.20	2.93
<b>CURRENT YEAR</b>	<b>35,231.73</b>	<b>3,174.03</b>	<b>2,077.51</b>	<b>36,328.25</b>	<b>8,627.45</b>	<b>1,778.59</b>	<b>103.81</b>	<b>10,302.23</b>	<b>26,026.02</b>

(Rs. in Lacs)

Description of Assets	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK	
	As at April 1, 2015	Additions	Deduction	As at March 31, 2016	As at April 1, 2015	For the Year	Deduction	As at March 31, 2016	As at March 31, 2016
<b>Tangible Assets</b>									
Land	5,889.15	-	-	5,889.15	-	-	-	-	5,889.15
Office Premises	4,534.73	-	-	4,534.73	35.97	213.20	-	249.17	4,285.56
Factory Premises	6,201.83	2.73	-	6,204.56	323.78	97.46	-	421.24	5,783.32
Plant & Machinery	13,467.38	721.37	23.53	14,165.22	4,331.32	850.74	15.69	5,166.37	8,998.85
Vehicles	595.28	75.96	8.91	662.33	266.70	74.72	5.43	335.99	326.34
Furniture & Fixtures	1,334.65	21.37	-	1,356.02	661.55	169.66	-	831.21	524.81
Office Equipments	1,939.84	43.60	182.50	1,800.94	958.57	151.93	74.09	1,036.41	764.53
Computer	585.33	19.20	-	604.53	469.88	73.06	-	542.94	61.59
<b>Intangible Assets</b>									
Computer Software	14.25	-	-	14.25	7.64	6.61	-	14.25	-
<b>CURRENT YEAR</b>	<b>34,562.44</b>	<b>884.23</b>	<b>214.94</b>	<b>35,231.73</b>	<b>7,055.41</b>	<b>1,637.38</b>	<b>95.21</b>	<b>8,627.45</b>	<b>26,634.15</b>



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

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Loan Given	1,758.75	-	-
<b>Total</b>	<b>1,758.75</b>	<b>-</b>	<b>-</b>

**3. OTHER FINANCIAL ASSETS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Deposits with Others	36.81	73.08	66.68
Security Deposits	337.19	337.92	260.84
<b>Total</b>	<b>373.99</b>	<b>411.00</b>	<b>327.52</b>

**4. NON CURRENT TAX ASSETS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Advance Tax	5,968.57	6,885.32	4,873.47
<b>Total</b>	<b>5,968.57</b>	<b>6,885.32</b>	<b>4,873.47</b>

**5. OTHER NON CURRENT ASSETS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Capital Advances	364.98	570.42	445.14
Advance Tax	127.84	-	-
Deposits With Others	27.15	-	-
Preliminary expenditure ( To the extent not written off)	0.39	0.48	0.60
<b>Total</b>	<b>520.36</b>	<b>570.90</b>	<b>445.75</b>

**6. INVENTORIES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Raw Materials	21,031.47	17,198.66	18,533.39
Work In Progress	5,041.46	3,460.90	2,943.26
Finished Goods & Stock-in-Trade	36,903.25	24,038.38	38,490.78
Consumables	36.67	40.17	35.90
<b>Total</b>	<b>63,012.86</b>	<b>44,738.11</b>	<b>60,003.32</b>

**7. CURRENT INVESTMENTS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Investments carried at Fair Value through profit &amp; loss (FVTPL)</b>			
<b>Unquoted, fully paid up Investments in Equity</b>			
Ratnakar Bank Limited (28,000 (Nil) Shares of Rs. 10 each)	-	30.86	-
Indian Commodity Exchange Limited (1,67,50,000 (Nil) Shares of Rs. 10 each)	1,675.00	-	-
<b>Investments in Bond</b>			
Sovereign Gold Bond Scheme (200 (Nil) Units)	5.83	-	-
<b>A</b>	<b>1,680.83</b>	<b>30.86</b>	<b>-</b>
<b>Quoted, fully paid up</b>			
Classic Diamond (India) Ltd. 716 (5,000) Shares of Rs. 2 each	0.01	0.01	0.08
Gitanjali Gems Ltd. 1,000 (1,000) Shares of Rs. 10 each	-	-	0.41
Golddiam International Ltd. 1,000 (1,000) Shares of Rs. 10 each	-	-	0.23
Golkunda Diamonds & Jewellery Ltd. 10 (10) Shares of Rs. 10 each	-	-	0.01
Rajesh Exports Ltd. 600 (600) Shares of Re. 1 each	-	-	1.17
S.B. & T International Ltd. 10 (10) Shares of Rs. 10 each	-	-	0.01
Ratnakar Bank Limited (28,000 (Nil) Shares of Rs. 10 each)	138.38	-	-
Shrenuj & Co Ltd. 2,000 (2,000) Shares of Rs. 2 each	0.02	0.13	0.85
Winsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.01	0.01	0.01
Vaibhav Global Ltd. 10 (10) Shares of Rs. 10 each	-	-	0.08
Zodiac JRD MKJ Ltd. 10 (10) Shares of Rs. 10 each	-	-	0.01
Tribhovandas Bhimji Zaveri Ltd. 1,00,000 (1,00,000) Shares of Rs. 10 each	77.85	57.94	146.58
Aarti Industries Ltd 7,700 (Nil) Shares of Rs. 5 each	58.96	-	-
Aegis Logistics Ltd 55,500 (Nil) Shares of Rs. 10 each	107.86	-	-
APL Apollo Tubes Ltd 5,220 (Nil) Shares of Rs. 10 each	61.09	-	-
Astec Lifescience Ltd 12,235 (Nil) Shares of Rs. 10 each	73.83	-	-
Aptech Ltd. 24,973 (Nil) Shares of Rs. 10 each	57.45	-	-
CCL Products Ltd 20,419 (Nil) Shares of Rs. 2 each	69.89	-	-
Dalmia Bharat Ltd 2,630 (Nil) Shares of Rs. 10 each	51.74	-	-
Deep Industries Ltd 26,250 (Nil) Shares of Rs. 10 each	86.48	-	-
Exide Industries Ltd 31,100 (Nil) Shares of Re. 1 each	69.65	-	-

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Greenlam Industries Ltd 6,328 (Nil) Shares of Rs. 10 each	40.07	-	-
Gujarat Heavy Chem.Ltd 20,776 (Nil) Shares of Rs. 10 each	55.25	-	-
HDFC Bank Ltd 6,985 (Nil) Shares of Rs. 2 each	100.74	-	-
Manapuram Finance Ltd 91,620 (Nil) Shares of Rs. 2 each	89.80	-	-
Maruti Suzuki Ltd 1,560 (Nil) Shares of Rs. 10 each	93.99	-	-
Neuland Laboratories Ltd 6,500 (Nil) Shares of Rs. 10 each	96.73	-	-
ITD Cementation Ltd 39,090 (Nil) Shares of Rs. 10 each	66.90	-	-
Navin Fluorine Intl Ltd 2,400 (Nil) Shares of Rs. 10 each	73.05	-	-
SP Appareals Ltd. 13,267 (Nil) Shares of Rs. 10 each	57.24	-	-
<b>B</b>	<b>1,526.99</b>	<b>58.09</b>	<b>149.43</b>
<b>Investments in Mutual Fund</b>			
Reliance Liquid Fund (8 (Nil) Units)	0.08	-	-
<b>C</b>	<b>0.08</b>	<b>-</b>	<b>-</b>
<b>Total A+B+C</b>	<b>3,207.90</b>	<b>88.95</b>	<b>149.43</b>

**8. TRADE RECEIVABLES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Unsecured</b>			
Over Six months from due date			
Considered Good	958.09	827.03	1,594.45
Considered Doubtful	24.71	24.71	49.71
	982.80	851.75	1,644.16
Less: Provision for Doubtful Debts	24.71	24.71	49.71
	958.09	827.03	1,594.45
<b>Others</b>			
Considered Good	85,194.69	85,811.46	86,365.03
<b>Total</b>	<b>86,152.78</b>	<b>86,638.49</b>	<b>87,959.48</b>

**9. CASH AND BANK BALANCES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Balances with Banks in Current accounts *	13,570.10	33,681.23	11,668.57
Fixed Deposits with Banks **	15,893.91	12,728.52	10,804.02
Cash on hand	36.00	56.97	65.11
<b>Total</b>	<b>29,500.02</b>	<b>46,466.72</b>	<b>22,537.70</b>

\* Balance with banks in current accounts includes unclaimed dividend of Rs. 0.25 Lacs ( For F.Y. 2015-16 it was Rs. 0.25 Lacs), & unclaimed fractional entitlement Rs. 0.17 Lacs ( For F.Y.2015-16 it was Rs. 0.17 Lacs).

- \*\* i) Fixed Deposits with banks include deposits of Rs. Nil (For F.Y.2015-16 it was Rs. 3.25 Lacs) with maturity of more than 12 months.  
ii) Fixed Deposits with banks include deposits of Rs. 7.25 Lacs (For F.Y.2015-16 it was Rs. 116.25 Lacs) with maturity of less than 3 months.  
iii) Fixed Deposits with banks include deposits of Rs. 15,215.73 Lacs (For F.Y.2015-16 it was Rs. 12,090.07 Lacs) pledge as collateral securities.  
iv) Fixed Deposits with banks include deposits of Rs. 595.94 Lacs (For F.Y.2015-16 it was Rs. 518.95 Lacs) kept as margin money against Bank Guarantees.

**10. LOANS AND ADVANCES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
LOANS & ADVANCES - Others			
Unsecured, considered good	4,327.53	19,027.46	3,275.42
<b>Total</b>	<b>4,327.53</b>	<b>19,027.46</b>	<b>3,275.42</b>

**11. OTHER FINANCIAL ASSETS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Derivatives - Foreign Exchange Contracts	3,596.91	698.44	30.64
Others	7.42	-	-
<b>Total</b>	<b>3,604.33</b>	<b>698.44</b>	<b>30.64</b>

## 12. CURRENT TAX ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Advance Tax	2,353.05	2,168.67	2,171.18
<b>Total</b>	<b>2,353.05</b>	<b>2,168.67</b>	<b>2,171.18</b>

## 13. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Authorised</b>			
2,50,00,000 (2,50,00,000) Equity Shares of Rs.10 each	2,500.00	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	4,000.00
	6,500.00	6,500.00	6,500.00
<b>Issued, Subscribed and Paid-up</b>			
1,60,06,800 ( 1,60,06,800 ) Equity Shares of Rs. 10 each	1,600.68	1,600.68	1,600.68
<b>Total</b>	<b>1,600.68</b>	<b>1,600.68</b>	<b>1,600.68</b>

## 14. OTHER EQUITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Capital Reserves</b>			
As per Last Balance Sheet	294.50	294.50	294.50
<b>Capital Redemption Reserve</b>			
As per Last Balance Sheet	1,986.44	1,986.44	1,986.44
<b>General Reserves</b>			
As per Last Balance Sheet	13,613.37	13,413.37	13,213.37
Add: Transferred from Profit and Loss Account	200.00	200.00	200.00
	13,813.37	13,613.37	13,413.37
Minority Interest	(286.55)	(128.01)	(84.25)
<b>Retained Earnings</b>			
As per last Balance Sheet	60,623.31	53,685.28	46,045.57
Add: Profit for the Year	6,613.02	7,431.73	8,195.61
Add: Tax on Proposed Dividend written off	50.24	50.24	-
	67,286.57	61,167.26	54,241.18
Less: Appropriations			
Transferred to General Reserve	200.00	200.00	200.00
Dividend on Equity Shares	241.10	240.10	-
(Dividend per Share Rs. 1.50)			
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 written off	19.75	-	138.32
	510.09	543.96	555.90
	66,776.48	60,623.30	53,685.28
<b>Other Comprehensive Income</b>	<b>(93.50)</b>	<b>382.29</b>	<b>-</b>
<b>Total</b>	<b>82,397.52</b>	<b>76,701.91</b>	<b>69,295.35</b>

## 15. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Unsecured Loans</b>			
Loans from Related Party - Directors	2,500.00	2,253.86	2,031.96
<b>Total</b>	<b>2,500.00</b>	<b>2,253.86</b>	<b>2,031.96</b>

## 16. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Deferred tax Liability on account of :</b>			
Property, Plant & Equipment	5,253.98	5,276.98	5,689.99
<b>(A)</b>	<b>5,253.98</b>	<b>5,276.98</b>	<b>5,689.99</b>
<b>Deferred tax Asset on account of :</b>			
(i) Provision for Doubtful Debts	-	-	8.49
(ii) Gratuity Liability	163.35	118.17	59.92
(iii) Others	8.55	55.23	3.12
<b>(B)</b>	<b>171.90</b>	<b>173.40</b>	<b>71.53</b>
<b>Deferred tax Liability - Net (A) - (B)</b>	<b>5,082.08</b>	<b>5,103.58</b>	<b>5,618.46</b>

## 17. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Provision for employee benefits</b>			
Provision for Gratuity (unfunded)	910.88	614.42	333.41
<b>Total</b>	<b>910.88</b>	<b>614.42</b>	<b>333.41</b>

## 18. NON CURRENT TAX LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Taxation	5,830.12	6,544.60	4,595.77
<b>Total</b>	<b>5,830.12</b>	<b>6,544.60</b>	<b>4,595.77</b>

## 19. OTHER NON-CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Deferred Income (Liability)	588.03	171.54	-
<b>Total</b>	<b>588.03</b>	<b>171.54</b>	<b>-</b>



## 20. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>SECURED LOANS</b>			
Working Capital Loan from Banks	77,803.90	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			
d. Guaranteed by some of the Directors in their personal capacity			
	77,803.90	83,664.03	85,832.63
<b>UNSECURED LOANS</b>			
Loans from Related Party - Directors / Others	17,478.11	26,338.49	2,187.45
	17,478.11	26,338.49	2,187.45
<b>Total</b>	<b>95,282.01</b>	<b>110,002.52</b>	<b>88,020.07</b>

## 21. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
<b>Creditors for Goods</b>			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Others	32,201.69	29,585.27	27,547.99
<b>Creditors for Processing</b>			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Others	1,498.81	1,190.23	855.82
<b>Total</b>	<b>33,700.50</b>	<b>30,775.50</b>	<b>28,403.81</b>

## 22. OTHER FINANCIAL LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Derivatives - Foreign Exchange Contracts	75.93	202.93	26.64
<b>Total</b>	<b>75.93</b>	<b>202.93</b>	<b>26.64</b>

## 23. SHORT TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Leave Encashment	5.17	5.06	4.38
<b>Total</b>	<b>5.17</b>	<b>5.06</b>	<b>4.38</b>

## 24. CURRENT TAX LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Provision for Taxation	2,405.60	2,187.66	2,055.71
<b>Total</b>	<b>2,405.60</b>	<b>2,187.66</b>	<b>2,055.71</b>

## 25. OTHER CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT APRIL 1, 2015
Unclaimed Dividend	0.25	0.25	0.24
Other Payables *	1,420.39	1,094.95	9,902.52
<b>Total</b>	<b>1,420.64</b>	<b>1,095.20</b>	<b>9,902.76</b>

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

## 26. REVENUE FROM OPERATIONS

(Rs. in Lacs)

PARTICULARS	2016 - 2017	2015 - 2016
Sale of Products	349,189.71	329,726.26
Sale of Services	195.91	493.94
<b>Total</b>	<b>349,385.62</b>	<b>330,220.20</b>

## 26.1 PARTICULARS OF THE SALE OF PRODUCTS

(Rs. in Lacs)

PARTICULARS	2016 - 2017	2015 - 2016
Diamonds	297,210.73	287,244.27
Jewellery	51,272.70	41,993.42
Power-Windmill	706.29	488.56
<b>Total</b>	<b>349,189.71</b>	<b>329,726.26</b>

## 27. OTHER INCOME

(Rs. in Lacs)

PARTICULARS	2016 - 2017	2015 - 2016
Interest Income	86.96	61.49
Discount Received	23.99	-
Dividend Income	13.74	1.79
MTM on Investments Ind AS	412.60	(89.38)
Insurance Claim Received - Polish	47.19	-
Net gain/(loss) on sale of Investments	11.81	3.22
Service Tax Refund	50.86	-
Interest on Sovereign Bond	0.16	-
Duty Benefit on Import of Machinery	29.90	2.64
Miscellaneous Receipts	39.97	42.33
<b>Total</b>	<b>717.17</b>	<b>22.09</b>

## 28. COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2016 - 2017		2015 - 2016	
Stock at the Commencement	17,198.66		18,533.39	
Purchases during the year	219,753.04		166,675.19	
	236,951.70		185,208.58	
Less : Stock at the Close	21,031.47		17,198.66	
		215,920.24		168,009.92
<b>Total</b>		<b>215,920.24</b>		<b>168,009.92</b>

## 29. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS &amp; STOCK-IN-TRADE

(Rs. in Lacs)

PARTICULARS	2016 - 2017		2015 - 2016	
Variation in Stock of Work In Progress				
Stock at the Commencement	3,460.90		2,943.26	
Less: Stock at the Close	5,041.46		3,460.90	
		(1,580.56)		(517.65)
Variation in Stock of Finished Goods				
Stock at the Commencement	22,841.25		35,055.67	
Less: Stock at the Close	32,684.34		22,841.25	
		(9,843.10)		12,214.43
Variation in Stock-in-Trade				
Stock at the Commencement	1,197.13		3,435.11	
Less: Stock at the Close	4,218.91		1,197.13	
		(3,021.77)		2,237.97
<b>Total</b>		<b>(14,445.43)</b>		<b>13,934.75</b>

## 30. EMPLOYEE BENEFITS EXPENSES

(Rs. in Lacs)

PARTICULARS	2016 - 2017	2015 - 2016
Salary & Bonus	4,827.74	3,432.90
Director's Remuneration	16.77	368.19
Wages	1,084.42	902.92
Gratuity	121.85	78.41
Ex Gratia & Leave Encashment	151.82	86.25
Labour Welfare Fund Expenses	0.81	0.74
Contribution to Provident Fund	256.70	227.89
Insurance	4.20	24.47
Contribution to E.S.I.C.	43.40	35.10
Staff Welfare Expenses	33.78	39.34
	<b>6,541.49</b>	<b>5,196.21</b>

## 31. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2016 - 2017	2015 - 2016
Interest Expense	2,332.48	1,827.32
Other borrowing costs	425.67	372.24
Other Interest *	0.36	0.12
	<b>2,758.50</b>	<b>2,199.68</b>

\* Includes interest on late payment of Service tax.

## 32. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2016 - 2017		2015 - 2016	
<b>Manufacturing Expenses</b>				
Processing Expenses	13,642.87		12,771.44	
Electricity, Power & Fuel	467.98		574.82	
Consumables	291.67		285.67	
Wages & Other emoluments	3,938.37		2,821.43	
Factory Expenses	389.15		391.80	
		18,730.04		16,845.17
<b>Administrative / Selling &amp; Distribution Expenses</b>				
Bank Comission & Charges	302.20		265.20	
Electrical Charges	199.85		142.27	
Telephone, Interenet and Fax Charges	108.46		102.28	
Local Travelling and Conveyance	98.84		90.00	
Legal & Professional fees	457.72		269.62	
Audit Fees	19.67		9.84	
Printing & Stationery	70.99		71.71	
Repairs & Maintenance (Other)	285.69		115.02	
Repairs & Maintenance (Building)	29.18		3.44	
Repairs & Maintenance (Plant & Machinery)	172.32		210.63	
Repairs & Maintenance (Windmill)	220.95		196.24	
Postage and Courier	80.39		65.32	
Bad Debts (Net of Recovery)	522.07		41.18	
Rates & Taxes	31.07		29.40	
Provision for Doubtful Debt Written back	-		(25.00)	
Motor Car Expenses	68.86		64.24	
Insurance Premium	244.19		358.97	
Rent & Compensation	329.24		282.85	
Donation	33.65		15.51	
CSR Expenditure	104.90		34.50	
Office Canteen Expenses	82.25		76.16	
Office Expenses	38.77		42.01	
Director's Sitting Fees	1.49		1.57	
Sundry Expenses	127.84		101.03	
Security Charges	75.85		65.65	
Registration & Filing Charges	13.32		1.20	
Wealth Tax	-		2.76	
Membership and Subscription	32.13		42.48	
Preliminary exp written off	0.10		0.12	
Advertisement	49.91		62.67	
Sales Expenses	141.79		242.72	
Entertainment Expenses	104.54		109.89	
Foreign Travelling	212.10		264.15	
Commission on Sales	228.72		208.44	
Re-Assortment Charges	19.28		21.21	
Freight & Clearing Charges	305.35		311.83	
Agency Charges	25.16		19.12	
E.C.G.C. Premium	184.12		237.05	
Diamond Grading Charges	847.98		149.01	
Packing Expenses	65.30		66.12	
		5,936.23		4,368.42
<b>Total</b>		<b>24,666.27</b>		<b>21,213.59</b>

## 33. EXCEPTIONAL ITEMS

(Rs. in Lacs)

PARTICULARS	2016 - 2017	2015 - 2016
Net gain/(loss) on sale of Assets	(44.15)	(84.78)
<b>Total</b>	<b>(44.15)</b>	<b>(84.78)</b>

## 34. First time IndAS adoption Reconciliations:

The difference between the carrying amounts of the assets and liabilities in the financial statements under both IndAS and Previous GAAP as of the Transition date have been recognized directly in "Retained Earnings" at the Transition date. This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 1st, 2015 and the financial statements as at and for the year ended March 31st, 2016.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to IndAS in accordance with IndAS 101:

Equity as at April 1st, 2015

Equity as at March 31st, 2016

Profit for the year ended March 31st, 2016 and

Explanation of material adjustments to cash flow statements.

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the IndAS presentation.

## RECONCILIATION OF CONSOLIDATED EQUITY

(Rs. in Lacs)

PARTICULARS	As at 1st April 2015			As at 31st March 2016			Relevant Notes
	Amount as per IGAAP	Effect of transition to IndAs	Amount as per IndAs	Amount as per IGAAP	Effect of transition to IndAs	Amount as per IndAs	
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, Plant & Equipment	16,519	10,898	27,417	15,640	10,994	26,634	1
Intangible Assets	7	-	7	-	-	-	
Capital Work-In-Progress	2,691	-	2,691	2,931	-	2,931	
	<b>19,217</b>	<b>10,898</b>	<b>30,115</b>	<b>18,572</b>	<b>10,994</b>	<b>29,565</b>	
<b>Financial Assets</b>							
i) Other Financial Assets	301	27	328	384	27	411	2
Non Current Tax Assets	4,694	179	4,873	6,692	194	6,885	3
Other Non Current Tax Assets	446	-	446	571	-	571	
	<b>24,658</b>	<b>11,104</b>	<b>35,762</b>	<b>26,218</b>	<b>11,215</b>	<b>37,433</b>	
<b>Current Assets</b>							
Inventories	60,156	(153)	60,003	44,892	(154)	44,738	4
<b>Financial Assets</b>							
i) Current Investments	129	20	149	89	-	89	5
ii) Trade Receivables	87,973	(13)	87,959	86,727	(89)	86,638	6
iii) Cash and Cash Equivalents	22,431	107	22,538	46,418	48	46,467	
iv) Loans & Advances	3,326	(50)	3,275	19,657	(629)	19,027	6
v) Other Financial Assets	-	31	31	-	698	698	7
Current Tax Assets	2,103	69	2,171	2,104	65	2,169	
	<b>176,118</b>	<b>9</b>	<b>176,127</b>	<b>199,887</b>	<b>61</b>	<b>199,827</b>	
<b>TOTAL</b>	<b>200,776</b>	<b>11,113</b>	<b>211,889</b>	<b>226,106</b>	<b>11,154</b>	<b>237,259</b>	

(Rs. in Lacs)

PARTICULARS	As at 1st April 2015			As at 31st March 2016			Relevant Notes
	Amount as per IGAAP	Effect of transition to IndAs	Amount as per IndAs	Amount as per IGAAP	Effect of transition to IndAs	Amount as per IndAs	
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Equity Share Capital	1,601	-	1,601	1,601	-	1,601	
Other Equity	61,273	8,022	69,295	68,886	7,816	76,702	8
	<b>62,874</b>	<b>8,022</b>	<b>70,896</b>	<b>70,487</b>	<b>7,816</b>	<b>78,303</b>	
<b>LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
<b>Financial Liabilities</b>							
i) Long Term Borrowings	4,681	(2,649)	2,032	5,238	(2,984)	2,254	9
Deferred Tax Liabilities (Net)	2,224	3,395	5,618	2,072	3,032	5,104	10
Long Term Provisions	182	152	333	416	198	614	11
Non Current Tax Liabilities	4,527	68	4,596	6,473	72	6,545	12
Other Non-Current Liabilities	-	-	-	-	172	172	13
	<b>11,614</b>	<b>966</b>	<b>12,580</b>	<b>14,199</b>	<b>489</b>	<b>14,688</b>	
<b>Current Liabilities</b>							
<b>Financial Liabilities</b>							
i) Short Term Borrowings	85,833	2,187	88,020	107,258	2,744	110,003	9
ii) Trade Payables	28,399	5	28,404	30,767	8	30,775	14
iii) Other Financial Liabilities	-	27	27	-	203	203	7
Short Term Provisions	4	-	4	5	-	5	
Current Tax Liabilities	2,052	3	2,056	2,175	13	2,188	15
Other Current Liabilities	10,000	96	9,903	924	171	1,095	16
	<b>126,288</b>	<b>2,125</b>	<b>128,413</b>	<b>141,420</b>	<b>2,849</b>	<b>144,269</b>	
<b>TOTAL</b>	<b>200,776</b>	<b>11,113</b>	<b>211,889</b>	<b>226,106</b>	<b>11,154</b>	<b>237,259</b>	

## Reconciliation of Total Comprehensive Income for the year ended 31.03.2016

	Particulars	Amount as per IGAAP	Effect of transition to IndAs	Amount as per IndAs	Relevant Notes
I	Revenue From Operations	330,083	137	330,220	17
II	Other Income	26	(4)	22	18
III	<b>Total Income (I + II)</b>	<b>330,109</b>	<b>133</b>	<b>330,242</b>	
IV	<b>EXPENSES</b>				
	Cost of Materials Consumed	167,681	329	168,010	17
	Purchases of Stock-in-Trade	108,844	-	108,844	
	Changes in inventories of finished goods, Stock-in-Trade and work in progress	13,945	(10)	13,935	
	Employee benefits expense	5,405	(209)	5,196	19
	Finance costs	1,977	223	2,200	20
	Depreciation and amortization expense	1,473	164	1,637	1
	Other expenses	21,406	(193)	21,214	
	<b>Total expenses (IV)</b>	<b>320,732</b>	<b>304</b>	<b>321,036</b>	
V	Profit/(Loss) before exceptional items and tax (I-IV)	9,377	(171)	9,206	
VI	Exceptional Items - Income / (Loss)	(85)	-	(85)	
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>9,292</b>	<b>(171)</b>	<b>9,122</b>	
VIII	<b>Tax expense</b>				
	(1) Current tax	2,189	13	2,202	16
	(2) Deferred tax	(152)	(363)	(515)	11
IX	<b>Profit/(Loss) for the period (VII-VIII)</b>	<b>7,255</b>	<b>179</b>	<b>7,435</b>	
X	<b>Other Comprehensive Income</b>				
	(i) Items that will not be reclassified to profit or loss	-	(396)	(396)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	
XI	<b>Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>7,255</b>	<b>(220)</b>	<b>7,035</b>	

**Notes to the Reconciliations:**

1. As per the new definition of control under Ind AS 110, M/S Shah Manufacturers – a registered Indian Partnership Firm, which was previously unconsolidated under IGAAP, is now required to be consolidated. Under the new control model, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. The Parent Company - Asian Star Company Limited is having Control over M/S Shah Manufacturers based on fulfilment of all of the following factors as per IndAS 110:

- Power – In the form of rights to direct and control the relevant activities of the Investee Entity because the investee's key management personnel are related parties of the investor.
- Exposure, or rights, to variable returns from its involvement with the investee – because all of the investee's activities either involve or are conducted on behalf of the investor.
- The ability to use its power over the investee to affect the amount of the investor's returns

In accordance with the above, upon Transition to IndAS, the Financials of M/s Shah Manufacturers are Consolidated with those of the Parent Company on line-by-line basis.

**2. Property Plant & Equipment:**

As per 'the deemed cost' exception given in paragraphs D5 and D6 to IndAS 101, any item of property, plant and equipment can be measured at the date of transition to IndAS at its fair value or at revalued amount. The Previous GAAP revalued amount can be considered as deemed cost if the revaluation was, at the date of the revaluation, broadly comparable to either the fair value or cost or depreciated cost in accordance with IndAS.

In accordance with above, upon transition to IndAS, the various items of Fixed Tangible Assets have been valued as follows:

- Land & Buildings amounting to Rs. 3,257 Lacs have been measured at Fair Market Value on transition date and the fair market value of Rs. 13,915 Lacs has been considered to be the 'deemed cost' of these assets.
- Assets amounting to Rs. 13,262 Lacs have been revalued in accordance with IndAS and the Previous GAAP revalued amounts have been considered to be the 'deemed cost' of these assets.
- The above changes have led to an increase in the total value of PPE to the tune of Rs. 10,658 Lacs as on the transition date, which has been recognised in Equity as a part of "Retained Earnings". Other Rs. 247 Lacs are due to inclusion of M/s. Shah Manufacturers – a registered Indian Partnership Firm, as per the new definition of control under Ind AS 110, which was previously unconsolidated under IGAAP.
- The estimates of useful lives of Land and Buildings have been revised upon fair market valuation and accordingly the revised depreciation has been calculated. In the first year of transition the additional differential depreciation as per IndAS amounted to Rs. 164 Lacs.
- For import of machinery under EPCG license, the custom duty saved in the FY 2015-2016 amounted to Rs. 174 Lacs. This has led to increase in PPE account and since the benefits of this would be available in subsequent years.
- The impact of 'deemed cost' as well as revised depreciation and custom duty savings on the PPE for the FY 2015-2016 was Rs. 9,935 Lacs.

The changes to the total PPE account as on the transition date and as at the end of first year of transition have been summarized as follows:

Particulars	(Rs. in Lacs)
<b>As on 01.04.2015</b>	
Land & Buildings	3,257
Other PPE	13,262
<b>Total PPE as per IGAAP (01/04/2015)</b>	<b>16,519</b>
<b>(+/-) IndAS Adjustments</b>	
(+/-) Shah Manufacturers	247
Deemed Cost Adjustment (Land & Bldg)	10,658
<b>PPE as per IndAS (01/04/2015)</b>	<b>27,417</b>

Particulars	(Rs. in Lacs)
<b>F.Y. 2015-16</b>	
Land & Buildings (01.04.15)	3,257
Other PPE	13,262
<b>Total PPE as per IGAAP (01/04/2015)</b>	<b>16,519</b>
<b>For F.Y. 2015-16</b>	
Additions/Deductions	594
Depreciation for 15-16 IGAAP	(1,473)
<b>Total PPE as per IGAAP (31/03/2016)</b>	<b>15,640</b>
Deemed Cost Adjustment ( Land & Bldg)	10,658
Additional IndAS Depreciation	(164)
Custom duty saved	174
Shah Manufacturers	247
<b>PPE as per IndAS (31/03/2016)</b>	<b>26,634</b>

**3. Other Financial Assets**

As per the new definition of control under Ind AS 110, M/S Shah Manufacturers – a registered Indian Partnership Firm, which was previously unconsolidated under IGAAP, is now consolidated resulting in increase of other financial assets by Rs. 27 Lacs as on April 1st, 2015 and also for 31/03/2016.

**4. Non-Current Tax Assets**

As per the new definition of control under Ind AS 110, M/S Shah Manufacturers – a registered Indian Partnership Firm, which was previously unconsolidated under IGAAP, is now consolidated resulting in increase of non current tax assets by Rs. 194 Lacs as on April 1, 2015 and Rs. 178 Lacs for 31/03/2016.

**5. Inventories**

As on April 1st, 2015, there was unsold inventory lying with subsidiaries purchased from Asian Star Co. Ltd. Stock reserve has been created to the tune of Rs. 153 Lacs as on April 1st, 2015 and Rs. 154 Lacs for 31/03/2016 resulting in reduction of inventory.

**6. Current Investments**

The Aggregate carrying value of quoted investments as per Indian GAAP as on April 1st, 2015 was Rs. 129 Lacs. However the Fair Market value of these investments as on the same date was Rs. 149 Lacs. Hence, the value of current investments has increased as per IndAS to the extent of this difference of Rs. 20 Lacs. This difference has also been recognised in Equity as part of "Retained Earnings".

**7. Trade Receivables and Current Loans & Advances**

As per IndAS, the assets and liabilities needed to be regrouped. These regrouping entries in Trade Receivables account and Current Loans & Advances account amounted to Rs. 63 Lacs as on the transition date and corresponding impact is in "Retained Earnings" and for 31/03/2016, the regrouping entries in Trade Receivables account and Current Loans & Advances account amounted to Rs. 718 Lacs and corresponding impact is in "Other Financial Assets" and "Revenue from Operations & Cost of Materials Consumed".

**8. Other Financial Assets and Other Financial Liabilities**

The derivatives related receivables and payables were being grouped under different accounting heads under IGAAP. However, in accordance with IndAS 32 and IndAS 109, these have been reclassified into "Other Financial Assets and Other Financial Liabilities accounts". The accounting methodology adopted as per IndAS is calculation of MTM gains/losses, which are valued at Fair market value. Accordingly these adjustments have been made in "Retained Earnings" to the tune of Rs. 4 Lacs on the transition date and for 31/03/2016, adjustment of Rs. 495 Lacs have been made to "Revenue from Operations & Cost of Materials Consumed".

**9. Other Equity**

As on April 1st, 2015 the "Other Equity" amount as per Indian GAAP was Rs. 61,273 Lacs. With the adoption of various IndAS as on the Transition date, the amounts of Various Assets and Liabilities have undergone adjustments. These adjustments have been detailed in the various explanatory notes forming part of this report. All these adjustments have cumulatively impacted the "Other Equity" and are disclosed separately under the heading "Retained Earnings". The impact on "Retained Earnings" is Rs. 8,022 Lacs as on the transition date as follows:

**Other Equity - Retained Earnings**

Particulars	(Rs. in Lacs)
<b>As on 01/4/2015</b>	
As per IGAAP	61,273
<b>(+/-) IndAS Adjustments</b>	
Deemed Cost Adj (Land & Bldg)	10,658
Subsidiary Loans fair valuation	(104)
Fair Valuation of Investments	19
Reclassification upon transition	82
Derivatives Fair valuation	4
Promoters Loans fair valuation	468
Deferred Tax adjustment	(3,395)
Dividend adjustment	290
<b>Total IndAS Adjustments</b>	<b>8,022</b>
<b>As per IndAS as on 1/4/2015</b>	<b>69,295</b>



Similarly for 31/03/2016, adjustments have cumulatively impacted the "Other Equity" by Rs. 8,022 Lacs. Rs. 8,022 Lacs as above reduced by Rs. 220 Lacs as per reconciliation of total comprehensive income as shown above.

#### 10. Long Term & Short Term Borrowings

Promoters loans have been fair valued as per IndAS 109 using effective interest method, due to which reclassification from long term category to short term category has been made to the tune of Rs. 2,181 Lacs and Rs. 468 Lacs have been adjusted to "retained earnings" as on the transition date and for 31/03/2016, Rs. 2,738 Lacs have been reclassified from long term category to short term category and Rs. 246 Lacs have been adjusted to "Finance Costs".

#### 11. Deferred Tax Liabilities (net)

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

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

As on April 1st, 2015 the deferred tax liability already calculated on timing differences between depreciation as per Companies Act compared to depreciation allowable as per Income Tax Act was Rs. 2,224 Lacs. With the adoption of IndAS, there are various adjustments to the amounts of assets and liabilities (which have been identified under various notes in this document). These adjustments will also have an impact on the tax of the Company as per Indian Income Tax laws. The identified difference between the IndAS balance sheet amounts as compared to the Income Tax Balance Sheet amounts as on April 1st, 2015 is Rs. 5,619 Lacs. This would impact the deferred tax liability to the extent of Rs. 3,395 Lacs. This has been deducted from Equity as part of "Retained Earnings". Similarly for 2015 - 2016, the profit has increased by Rs. 363 Lacs.

#### 12. Long Term Provisions

As per the new definition of control under Ind AS 110, M/S Shah Manufacturers - a registered Indian Partnership Firm, which was previously unconsolidated under IGAAP, is now consolidated resulting in increase of long term provisions by Rs. 152 Lacs as on April 1st, 2015 and Rs. 198 Lacs for 31/03/2016.

#### 13. Non-Current Tax liabilities

As per the new definition of control under Ind AS 110, M/S Shah Manufacturers - a registered Indian Partnership Firm, which was previously unconsolidated under IGAAP, is now consolidated resulting in increase of non current tax liabilities by Rs. 68 Lacs as on April 1st, 2015 and Rs. 72 Lacs for 31/03/2016.

#### 14. Other Non-Current Liabilities

As per the new definition of control under Ind AS 110, M/S Shah Manufacturers - a registered Indian Partnership Firm, which was previously unconsolidated under IGAAP, is now consolidated resulting in increase of non-current liabilities by Rs. 172 Lacs for 31/03/2016.

#### 15. Trade Payables

As per the new definition of control under Ind AS 110, M/S Shah Manufacturers - a registered Indian Partnership Firm, which was previously unconsolidated under IGAAP, is now consolidated resulting in increase of trade payables by Rs. 5 Lacs as on April 1st, 2015 and Rs. 8 Lacs for 31/03/2016.

#### 16. Current Tax Liabilities

As per the new definition of control under Ind AS 110, M/S Shah Manufacturers - a registered Indian Partnership Firm, which was previously unconsolidated under IGAAP, is now consolidated resulting in increase of current tax liabilities by Rs. 3 Lacs as on April 1st, 2015 and Rs. 13 Lacs for 31/03/2016.

#### 17. Other Current Liabilities

As per IndAS 10, if an entity declares dividends to holders of equity instruments (as defined in IndAS 32, Financial Instruments: Presentation), after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period. The dividends, declared after the reporting period but before the financial statements are approved for issue, are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are however, disclosed in the notes in accordance with IndAS 1, Presentation of Financial Statements.

Under IGAAP, dividend proposed after the date of the financial statements but prior to the approval of financial statements is considered as an adjusting event, and a provision for dividend payment is recognised in the financial statements of the period to which the dividend relates. Under IndAS, dividend declaration is considered as a non-adjusting subsequent event and provision for dividends is recognised only in the period when the dividend is declared and approved.

As on April 1st, 2015, the Proposed Equity dividend was Rs. 240 lacs and the tax on proposed equity dividend was Rs. 50 Lacs totaling to Rs. 290 Lacs which has been reduced from Other Current Liabilities and correspondingly in Equity as part of "Retained Earnings". Also, due to inclusion of M/s. Shah Manufacturers - a registered Indian Partnership Firm, as per the new definition of control under Ind AS 110, which was previously unconsolidated under IGAAP, current liabilities has increased by Rs. 194 Lacs. Thus, this net amount of Rs.96 lacs is reduced from current liabilities. Similar adjustment of Rs. 290 Lacs for dividend & Rs. 171 Lacs for Shah Manufacturers has been made for 31/03/2016 resulting in decrease of current liabilities by Rs. 119 Lacs.

#### 18. Revenue from Operations & Cost of Materials Consumed

The gains / losses on account of Financial instruments valued at FVTPL as per IndAS has led to transition differences of Rs. 138 Lacs and Rs. 329 Lacs respectively in Revenue from Operations & Cost of Materials Consumed in the first year of transition.

#### 19. Other Income

Net losses on account of fair market valuation of investments amounted to Rs. 20 Lacs. Custom duty benefits of Rs. 3 Lacs and Rs. 13 Lacs other income due to inclusion of M/s. Shah Manufacturers. This resulted in net reduction in other income in the first year of transition.

#### 20. Employee benefits expense

Actuarial Loss on plan assets for gratuity as on 31.03.2016 as per IndAS amounted to Rs. 203 Lacs, which has been deducted from P&L Statement and transferred to Other Comprehensive Income. Also, employee expenses have increase by Rs. 6 Lacs due to inclusion of M/s. Shah Manufacturers, resulting in increase of total Rs. 209 Lacs.

#### 21. Finance costs

The IndAS transition adjustment of Rs. 223 Lacs in the first year of transition consists of interest expense on loans availed from promoters as per IndAS 109 calculated as per effective interest method.

### EXPLANATION OF MATERIAL ADJUSTMENTS TO THE STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2016.

The transition from Indian GAAP to IndAS has not had a material impact on the statement of cash flows.

**35. During the year, Company has recognized the following amounts in the financial statements:****a) Defined Contribution Plan**

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

PARTICULARS	(Rs. in Lacs)
Employers Contribution to Provident Fund & Family Pension Fund	257
Employers Contribution to Employees State Insurance Scheme	43
Employers Contribution to Labour Welfare Fund	1

**b) Defined Benefit Plan:**

Defined benefits plan as per actuarial valuation as on March 31st, 2017 and recognized in the financial statement in respect of Employee Benefits Scheme:

Disclosure Statement as per Ind AS 19:	Gratuity (Funded) (Rs. in Lacs)
<b>I) Assumptions</b>	(%)
a) Expected Return on Plan Assets	7.34 %
b) Rate of Discounting	7.34 %
c) Rate of Salary Increase	5.00 %
d) Rate of Employee Turnover	2.00 %
<b>II) Change in Present value of Projected Benefit Obligation</b>	
a) Present value of benefit obligation at beginning of the year	914
b) Current Service Cost	86
c) Interest Cost	74
d) Benefit Paid from the fund	(50)
e) Actuarial (gain)/loss on obligation	186
f) Present value of obligation as at end of the year	1,208
<b>III) Change in fair value of Plan Assets</b>	
a) Fair value of the Plan Assets at the beginning of the year	495
b) Interest Income	40
c) Contributions by the Employer	142
d) Benefit Paid from the fund	(44)
e) Return on Plan Assets, Excluding Interest Income	5
f) Fair value of Plan Assets at the end of the year	637
<b>IV) Amount Recognized in the Balance Sheet</b>	
a) Present value of benefit obligation at the end of the year	(1208)
b) Fair Value of Plan Assets at the end of the year	637
c) Funded Status (Surplus/ (Deficit))	(571)
d) Net Liability / Asset Recognized in the Balance Sheet	(571)
<b>V) Expenses Recognized in the Statement of Profit &amp; Loss</b>	
a) Net Interest Cost	34
b) Current Service Cost	86
c) Expenses recognized in Profit & Loss Statement	122
<b>VI) Expenses Recognized in the Other Comprehensive Income (OCI) for Current period</b>	
a) Actuarial (Gains)/Losses on Obligation for the Period	186
b) Return on Plan Assets, excluding Interest Income	(5)
c) Net (Income)/Expense for the Period Recognized in OCI	181
<b>VII) Sensivity Analysis</b>	
Projected Benefit Obligation on Current Assumptions	1,208
Delta effect of +1% change in rate of Discounting	(114)
Delta effect of -1% change in rate of Discounting	135
Delta effect of +1% change in rate of Salary Increase	136
Delta effect of -1% change in rate of Salary Increase	(117)
Delta effect of +1% change in rate of Employee Turnover	27
Delta effect of -1% change in rate of Employee Turnover	(30)

**36. Events after the reporting period**

The Board of Directors of Asian Star Co. Ltd. have recommended dividend of Rs. 1.50 per fully paid up equity share of Rs. 10/- each, aggregating to Rs. 290 Lacs, including Rs. 50 Lacs dividend distribution tax for the financial year 2016-17, which is based on relevant share capital as on March 31st, 2017. The actual dividend amount will be dependent on the relevant share capital outstanding on the record date / book closure.

**37. Taxation**

Income tax recognized in statement of profit and loss:

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Current tax	2,418	2,202
Deferred tax	(22)	(515)
Income tax expense recognised in statement of profit and loss	2,396	1,687

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

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
Profit before tax	9,045	9,206
Applicable tax rate	34.61%	34.61%
<b>Computed Tax Expense</b>	<b>3,130</b>	<b>3,186</b>
<b>Tax effect of:</b>		
Exempted income	(128)	(105)
Expenses disallowed	877	447
Additional allowances	(745)	(602)
Others	45	42
Non taxable subsidiaries and effect of differential tax rate under various jurisdiction	(761)	(766)
<b>Current Tax Provision (A)</b>	<b>2,418</b>	<b>2,202</b>
Decremental Deferred tax Liability on account of Tangible Assets	150	(586)
Incremental/ (Decremental) Deferred tax Liability on account of other items	(172)	72
<b>Deferred Tax Provision (B)</b>	<b>(22)</b>	<b>(515)</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>2,396</b>	<b>1,687</b>
<b>Effective Tax Rate</b>	<b>26.49%</b>	<b>18.32%</b>

## 38. Related Party Disclosure for the year ended 31st March, 2017:

## (i) List of Related Parties and relationships:

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

## (ii) Transactions during the year with Related Parties:

(Rs. in Lacs)

Particulars	Name of the Party	2016-17		2015-16	
		Volume (Rs. in Lacs)	Amount Outstanding as on 31.03.2017 (Rs. in Lacs)	Volume (Rs. in Lacs)	Amount Outstanding as on 31.03.2016 (Rs. in Lacs)
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	14,403	3,433	14,000	3,393
	Asian Star Jewels Pvt. Ltd.	6,355	2,125	5,335	2,553
	Jewel Art (Unit-II)	215	213	21	21
Import of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	38	Nil	Nil	Nil
	Dividend Received	243	Nil	252	Nil
Investment in Subsidiary	Asian Star Co. Ltd. (U.S.A.)	Nil	179	Nil	179
	Asian Star Trading (Hong Kong)Ltd.	Nil	205	Nil	205
	Asian Star DMCC	Nil	62	Nil	53
	Asian Star Jewels Pvt. Ltd.	Nil	121	Nil	121
Bank Guarantees given (Net)	Asian Star Trading (Hong Kong)Ltd.	Nil	12,968	3,317	13,267
	Asian Star DMCC	Nil	6,484	Nil	6,633
	Asian Star Jewels Pvt. Ltd.	Nil	4,300	Nil	4,300
Loan Repaid by Subsidiary	Asian Star Jewels Pvt. Ltd.	Nil	405	Nil	405
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	8	Nil	7	Nil
Sale of Colour Stone	Asian Star Jewels Pvt. Ltd.	0.12	Nil	2	Nil
Directors' Remuneration	Dinesh T. Shah	125	Nil	125	Nil
	Arvind T. Shah	125	Nil	125	Nil
	Vipul P. Shah	175	Nil	125	Nil
	Priyanshu A. Shah	100	Nil	75	Nil
	Rahil V. Shah	75	Nil	30	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil	0.96	Nil
	Arvind T. Shah	0.96	Nil	0.96	Nil
	Dharmesh D. Shah	0.72	Nil	0.72	Nil
	Vipul P. Shah	0.96	Nil	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30	Nil	30
	Arvind T. Shah	Nil	30	Nil	30
	Dharmesh D. Shah	Nil	20	Nil	20
	Vipul P. Shah	Nil	30	Nil	30
Unsecured Loans Taken / (Repaid) -(Net)	Dinesh T. Shah	1,300	1,756	18	456
	Arvind T. Shah	167	233	Nil	66
	Dharmesh D. Shah	(285)	1,078	430	1,363
	Vipul P. Shah	107	2,971	214	2,864
	Priyanshu A. Shah	(65)	424	(105)	4,89
Contract for Processing of Diamonds	Shah Manufacturers	4,505	287	3,181	10
Sale of Jewellery / Sale of Services	Arvind T. Shah	39	Nil	Nil	Nil
	Dharmesh D. Shah	7	Nil	Nil	Nil
	Priyanshu A. Shah	17	Nil	Nil	Nil
	Rahil V. Shah	4	Nil	182	Nil
	Arvind T. Shah - HUF	1	Nil	Nil	Nil
	Himanshu A. Shah	85	20	Nil	Nil
	Pooja P. Shah	34	Nil	Nil	Nil
	Sujata V. Shah	1	Nil	290	Nil
	Rasila A. Shah	2	Nil	Nil	Nil
	Dhwani R. Shah	5	Nil	Nil	Nil
	Urvi D. Shah	1	Nil	Nil	Nil
	Sweta D. Shah	Nil	Nil	7	Nil
Purchase of Raw Gold	Arvind T. Shah	39	Nil	Nil	Nil
	Priyanshu A. Shah	1	Nil	Nil	Nil
	Arvind T. Shah - HUF	1	Nil	Nil	Nil
	Pooja P. Shah	8	Nil	Nil	Nil
	Rasila A. Shah	9	Nil	Nil	Nil

Note: 1. Sale includes VAT.

2. Increase in value of investments is on account of fair valuation of additional guarantee given.

**39. 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	116
(ii)	By Subsidiaries	10
	<b>Total</b>	<b>126</b>

**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	28	-	28
	By Subsidiaries	-	-	-
	<b>Total</b>	<b>28</b>		<b>28</b>

**40. Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016**

is as under:

(Rs. in lacs)

Particulars	SBNS (Specified bank notes)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	79	17	96
(+) Permitted receipts	3	81	84
(-) Permitted Payments	-	54	54
(-) Amount deposited in banks	82	-	82
Closing cash in hand as on 30.12.2016	-	44	44

41. a) The Company has disputed service tax liability of Rs. 4.46 crores (For F.Y. 2015-16 it was Rs. 4.46 crores).

b) The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2015-16 it was Rs. 3.32 crores) in respect of Customs duty raised by Commissioner of Customs.

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

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

(Rs. in Lacs)

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
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	-	-

**43. Earning Per Share:-**

Particulars	2016-2017	2015-2016
Profit After Tax (Rs. In lacs)	6,613	7,432
Number Of Equity Shares	16,006,800	16,006,800
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share(Basic) (Rs.)	41.31	46.43

**44. Financial Instruments Disclosure****FINANCIAL ASSETS**

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>NON-CURRENT</b>			
Loans (Secured considered good unless otherwise stated) (refer note 2)			
At Amortised Cost			
Loans	1,759	-	-
Total Loans	1,759	-	-
Other Financial Assets	374	411	328
<b>CURRENT</b>			
i) Investments (refer note 7)			
<b>At Fair Value through Profit and loss</b>			
Classic Diamonds (India) Ltd.	0.01	0.01	0.08
Gitanjali Gems Ltd.	-	-	0.41
Golddiam International Ltd.	-	-	0.23
Golkunda Diamonds & Jewellery Ltd.	-	-	0.01
Rajesh Exports Ltd.	-	-	1.17
S.B. & T International Ltd.	-	-	0.01
Shrenuj & Co Ltd.	0.02	0.13	0.85
Winsome Diamonds & Jewellery Ltd.	0.01	0.01	0.01
Vaibhav Global Ltd.	-	-	0.08



(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
Zodiac JRD MKJ Ltd.	-	-	0.01
Tribhovandas Bhimji Zaveri Ltd.	77.85	57.94	146.58
Ratnakar Bank Limited	138.38	30.86	-
Indian Commodity Exchange	1675.00	-	-
Sovereign Gold Bond Scheme	5.83	-	-
Aarti Industries Ltd	58.96	-	-
Aegis Logistics Ltd	107.86	-	-
APL Apollo Tubes Ltd	61.09	-	-
Astec Lifescience Ltd	73.83	-	-
Aptech Limited	57.45	-	-
CCL Products Ltd	69.89	-	-
Dalmia Bharat Ltd	51.74	-	-
Deep Industries Ltd	86.48	-	-
Exide Industries Ltd	69.65	-	-
Greenlam Industries Ltd	40.07	-	-
Gujarat Heavy Chemicals Ltd	55.25	-	-
HDFC Bank Ltd	100.74	-	-
Manapuram Finance Ltd	89.8	-	-
Maruti Suzuki Ltd	93.99	-	-
Neuland Laboratories Ltd	96.73	-	-
ITD Cementation Ltd	66.9	-	-
Navin Fluorine International Limited	73.05	-	-
SP Appareals Ltd	57.24	-	-
Reliance Liquid Fund- Mutual Fund	0.08	-	-
<b>Aggregate fair value of quoted investments</b>	<b>3,207.90</b>	<b>88.95</b>	<b>149.43</b>
<b>Aggregate book value of quoted investments</b>	<b>2,795.22</b>	<b>178.34</b>	<b>129.47</b>
Gain / (Loss) on fair value recognised in P&L	412.60	(89.37)	-
Gain / (Loss) on fair value recognised in Retained earnings	-	-	19.96
ii) Trade Receivables - At amortised cost	86,153	86,638	87,959
iii) Cash and Cash Equivalents (refer note 9)			
Balances with Banks in Current accounts	13,570	33,681	11,669
Fixed Deposits with Banks	15,894	12,729	10,804
Cash on hand	36	57	65
iv) Loans & Advances			
Unsecured, considered good - At amortised cost	4,328	19,027	3,275
v) Other Financial Assets			
Derivatives - Foreign Exchange Contracts -At FVTPL	3,604	698	31
<b>Total Financial Assets</b>	<b>111,739</b>	<b>135,241</b>	<b>114,081</b>

## Financial Liabilities

(Rs. in Lacs)

Particulars	31.03.2017	31.03.2016	01.04.2015
<b>NON-CURRENT</b>			
<b>Borrowings (refer note 15)</b>			
At Amortised cost			
Loans from related parties-directors	2,500	2,254	2,032
<b>CURRENT</b>			
<b>i) Borrowings (refer note 20)</b>			
At Amortised cost			
Secured working Capital Loan from Banks	77,804	83,664	85,833
Loans from related parties-directors	17,478	26,338	2,187
<b>ii) Trade Payables (refer note 21)</b>			
At Amortised Cost			
Creditors for Goods	32,202	29,585	27,548
Creditors for Processing	1,499	1,190	856
<b>iii) Other Financial Liabilities- At FVTPL (refer note 22)</b>			
Derivatives Foreign Exchange contracts	76	203	27
<b>Total Financial Liabilities</b>	<b>131,559</b>	<b>143,234</b>	<b>118,483</b>

## Financial Instruments By Category

(Rs. in Lacs)

Particulars	31.03.2017			31.03.2016			01.04.2015		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>FINANCIAL ASSETS</b>									
<b>Non-Current</b>									
Loans									
To others	-	-	1,759	-	-	-	-	-	-
Other Financial Assets - Deposits	-	-	374	-	-	411	-	-	328
Current Investments	3,208	-	-	89	-	-	149	-	-
Loans									
to others	-	-	4,328	-	-	19,027	-	-	3275
Trade Receivables	-	-	86,153	-	-	86,638	-	-	87,959
Cash and Cash Equivalents	29,500	-	-	46,467	-	-	22,537	-	-
Derivatives Foreign Exchange Contracts	3,604	-	-	698	-	-	31	-	-
<b>FINANCIAL LIABILITIES</b>									
<b>Non-Current</b>									
Borrowings	-	-	2,500	-	-	2,254	-	-	2,032
<b>Current</b>									
Borrowings	-	-	95,282	-	-	110,003	-	-	88,020
Trade Payables	-	-	33,701	-	-	30,776	-	-	28,404
Derivatives Foreign Exchange Contracts	76	-	-	203	-	-	27	-	-

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

**Fair Value Related Disclosures:****Fair Value measurement:**

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

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

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

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

**Valuation Techniques and Inputs used**

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

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

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

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

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

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

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

**Comparison by class of carrying amount and fair value of financial instruments.**

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

**Fair Value Hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

(Rs. in Lacs)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:					
PARTICULARS	Date of Valuation	Total	Fair Value measurement using		
			Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
<b>Assets measured at fair value (Note No. 7, 9, 11):</b>					
Investments					
Current	31.03.17	3,208	1,527	1,681	-
Cash and Cash Equivalents	31.03.17	29,500	29,500	-	-
Derivatives - Foreign Exchange Contracts	31.03.17	4,328	4,328	-	-
<b>Assets for which fair values are disclosed (Note No. 2, 3, 8, 10):</b>					
Loans (Non-current)					
to others	31.03.17	1,759	-	1,759	-
Other Financial Assets	31.03.17	374	374	-	-
Loans (current)					
to others	31.03.17	4,328	-	4,328	-
Trade Receivables	31.03.17	86,153	-	86,153	-
<b>Liabilities measured at fair value (Note No. 22):</b>					
Derivatives - Foreign Exchange Contracts	31.03.17	76	76	-	-
<b>Assets for which fair values are disclosed (Note No. 15, 20, 21):</b>					
Borrowings					
Non-Current	31.03.17	2,500	-	2,500	-
Current	31.03.17	95,282	-	95,282	-
Trade Payables	31.03.17	33,701	-	33,701	-

(Rs. in Lacs)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016:					
PARTICULARS			Fair Value measurement using		
	Date of Valuation	Total	Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
<b>Assets measured at fair value (Note No. 7, 9, 11):</b>					
Investments					
Current	31.03.16	89	89	-	-
Cash and Cash Equivalents	31.03.16	46,467	46,467	-	-
Derivatives - Foreign Exchange Contracts	31.03.16	698	698	-	-
<b>Assets for which fair values are disclosed (Note No.2, 3, 8, 10):</b>					
Other Financial Assets	31.03.16	411	411	-	-
Loans (current)					
to others	31.03.16	19,027	-	19,027	-
Trade Receivables	31.03.16	86,638	-	86,638	-
<b>Liabilities measured at fair value (Note No. 22):</b>					
Derivatives - Foreign Exchange Contracts	31.03.16	203	203	-	-
<b>Liabilities for which fair values are disclosed (Note No. 15 ,20, 21):</b>					
Borrowings					
Non-Current	31.03.16	2,254	-	2,254	-
Current	31.03.16	110,003	-	110,003	-
Trade Payables	31.03.16	30,776	-	30,776	-

(Rs. in Lacs)

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015:					
PARTICULARS			Fair Value measurement using		
	Date of Valuation	Total	Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
<b>Assets measured at fair value (Note No. 7, 9, 11):</b>					
Investments					
Current	01.04.15	149	149	-	-
Cash and Cash Equivalents	01.04.15	22,538	22,538	-	-
Derivatives - Foreign Exchange Contracts	01.04.15	31	31	-	-
<b>Assets for which fair values are disclosed (Note No.2, 3, 8, 10):</b>					
Other Financial Assets	01.04.15	328	328	-	-
Loans (current)					
to others	01.04.15	3,275	-	3,275	-
Trade Receivables	01.04.15	87,959	-	87,959	-
<b>Liabilities measured at fair value (Note No. 22):</b>					
Derivatives - Foreign Exchange Contracts	01.04.15	31	31	-	-
<b>Liabilities for which fair values are disclosed (Note No. 15, 20, 21):</b>					
Borrowings					
Non-Current	01.04.15	2,032	-	2,032	-
Current	01.04.15	88,020	-	88,020	-
Trade Payables	01.04.15	28,404	-	28,404	-

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

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

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

#### Other Fair Value related Disclosures

##### Recurring / non-recurring classification of fair value:

All fair value measurements for the period ended 31/3/2017, 31/3/2016 and 1/4/2015 are recurring in nature and there are no Non-recurring fair value measurements of assets or liabilities in these periods.

##### Level 3 inputs related disclosure

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

##### Transfers between Level 1 and Level 2

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

##### Change in Valuation techniques, if any

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

##### Financial risk factors

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

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

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

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

#### Credit risk

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

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

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

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as at March 31st, 2017. Of the total trade receivables, Rs. 58,988 Lacs as at March 31st, 2017 and Rs. 82,483 Lacs as at March 31st, 2016 consisted of customer balances

that were neither past due nor impaired. The Company's Credit risk management policies include categorizing the loans and trade receivables based on estimates of Probability of Default and calculation of Expected Credit Losses (ECL).

Loans and advances include loans given to staff Rs. 38 Lacs as at March 31st, 2017 and Rs. 56 Lacs as at March 31st, 2016 which the company perceives no impairment loss to be provided for.

#### Financial assets that are past due but not impaired

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

Period in days	(Rs. in Lacs)	
	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016
1-90	5,243	2,265
91-180	326	1064
More than 180	983	827
<b>Total</b>	<b>6,552</b>	<b>4,156</b>

#### Liquidity risk

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31st, 2017:

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

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	19,667	43,796	14,341	-
Interest on Borrowings	20	-	-	-
Trade payables	24,481	8,856	360	4
<b>Maturity analysis for Derivative Financial Liabilities:</b>				
Net settled derivative contracts - Financial Assets	3,507	26	10	54
Net settled derivative contracts - Financial Liabilities:	1	74	-	1

#### Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2016: (Rs. in Lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	13,007	51,826	18,832	-
Interest on Borrowings	4	-	-	-
Trade payables	22,163	8,301	299	13
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts - Financial Assets	316	101	1	280
Net settled derivative contracts - Financial Liabilities:	203	-	-	-

#### Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 01.04.2015 (Rs. in lacs)

Contractual undiscounted cash flows	< Month	1 to 4 months	4 to 6 months	> 6 months
<b>Maturity analysis for Non-Derivative Financial Liabilities</b>				
Borrowings	14,734	55,532	15,566	-
Interest on Borrowings	19	-	-	-
Trade payables	9,437	17,805	870	292
<b>Maturity analysis for Derivative Financial Liabilities</b>				
Net settled derivative contracts - Financial Assets	14	-	-	17
Net settled derivative contracts - Financial Liabilities	17	-	-	9

#### Market Risk

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

#### Interest Rate Risk

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

#### Foreign Exchange Risk

The Company is exposed to foreign exchange risk principally via:

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

#### Commodity Risk

The Company is exposed to the commodity rate risk due to uncertainties in availability of Gold and silver for its jewellery operations. Forward contracts for Sale of Gold entered into by the Company and outstanding as on March 31st, 2017 covers 63 Kgs. (For F.Y. 2015- 16 it was for Sale of Gold 50 Kgs and for Purchase of Silver 60 kgs). Sensivity analysis for commodity risk is not done as it is not material.

#### Sensitivity analysis

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

#### Interest rate risk

Exposure of borrowings / (Interest-rate related derivatives, if any) related to interest rate changes (\$ in Lacs)

Particulars	As on 31/03/2017	As on 31/03/2016	As on 01/04/2015
<b>Variable rate borrowings</b>			
Bank Loan	1,195	1,256	1,367

#### Interest rate risk sensitivity

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

Impact on Profit & Loss	31/03/2017	31/03/2016
<b>For \$ Borrowings</b>		
Increase in Interest rate - 50 basis points	(387)	(417)
Decrease in Interest rate - 50 basis points	387	417



**Foreign Currency risk**

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

(\$ in Lacs)

PARTICULARS	As on 31/03/2017	As on 31/03/2016	As on 01/04/2015
<b>Financial Assets</b>			
Trade Receivables	1,318	1,259	1,284
Cash and Cash Equivalents	173	460	146
Derivatives contracts (Net)	-	520	-
<b>Financial Liabilities</b>			
Borrowings	1,195	1,257	1,367
Trade payables	419	531	473
Derivatives contracts (Net)	6,191	-	1,369

**Foreign currency risk sensitivity**

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

(Rs. in Lacs)

Particulars	31/03/2017	31/03/2016
USD-INR Increase by 1%	(4,094)	299
USD-INR decrease by 1%	4,094	(299)

**45. Capital Management**

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

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

The capital gearing ratio as on March 31st, 2017 and March 31st, 2016 was 54 % and 59 %, respectively.

**46. Collaterals**

The Company has obtained working capital loan from banks which are secured as on 31.3.2017 by:

- Fixed deposits – Value Rs. 15,216 Lacs
- Hypothecation of Stock in trade and Trade receivables – Value Rs. 1,48,396 Lacs
- Mortgage of premises at Mumbai & Surat – Value Rs. 15,371 Lacs.

**Defaults**

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

47. Gain/(loss) on exchange fluctuation as recognized in statement of profit and loss statement (net) for F.Y. 2016-17 is Rs. 9,687 Lacs) (for F.Y. 2015-16 it was Rs. (10,337 Lacs)).

**48. Segment Reporting**

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

(Rs. in Lacs)

PARTICULARS	2016-2017	2015-2016
<b>1. Segment – Revenue</b>		
- Diamonds	3,14,811.41	3,01,322.36
- Jewellery	51,468.61	42,487.36
- Others	1,342.70	508.01
<b>Total</b>	<b>3,67,622.72</b>	<b>3,44,317.73</b>
Less: Inter Segment Revenue / Transfer	17,519.93	14,075.44
<b>Net Sales / Revenue</b>	<b>3,50,102.79</b>	<b>3,30,242.29</b>
<b>2. Segment Results</b>		
Profit/(Loss) Before Tax and Interest from each segment		
- Diamonds	8,894.78	10,043.31
- Jewellery	2,107.03	1,368.35
- Others	801.65	(5.62)
<b>Total</b>	<b>11,803.46</b>	<b>11,406.04</b>
Less:		
i) Finance Costs	2,758.50	2,199.68
ii) Exceptional Item (Gain) / Loss	44.15	84.78
iii) Other un – allocable expenses	-	-
<b>Total</b>	<b>2,802.65</b>	<b>2,284.46</b>
<b>Total Profit Before Tax</b>	<b>9,000.81</b>	<b>9,121.58</b>
<b>3. Capital Employed</b>		
- Diamonds	62,039.26	61,082.63
- Jewellery	14,597.06	12,802.96
- Others	7,361.88	4,417.00
<b>Total Capital Employed</b>	<b>83,998.20</b>	<b>78,302.59</b>

(a) As per IndAS on Segment Reporting, issued by the Institute of Chartered Accountant of India, the company has reported segments information on consolidated basis including business conducted by its subsidiaries.

(b) The Company now recognizes two reportable business segments viz. Diamonds and Jewellery. The business which is not reportable during the year has been grouped under 'Others' Segment, this comprises wind energy generation.

## 49. Financial Information of Subsidiary Companies / Associates:

(Rs. in Lacs)

PARTICULARS	Asian Star Co. Ltd. N.Y.		Asian Star DMCC		Asian Star Trading (Hong Kong) Ltd.		Asian Jewels Star Pvt. Ltd.	Shah Manufacturers
	USD		USD		USD		Rs.	Rs.
	USD	Rs.	USD	Rs.	USD	Rs.		
Capital	5.00	179	0.54	12	1.28	57	100	52
Other Equity	1.98	274	249.98	16,896	4.11	292	2,304	-
Total Assets	75.12	4,870	417.99	27,766	226.83	14,708	8,342	58
Total Liabilities	75.12	4,870	417.99	27,766	226.83	14,708	8,342	58
Investments	-	-	-	-	-	-	-	-
Turnover/Total Income	261.26	17,521	997.03	66,922	22.22	1,545	14,582	4,536
Profit Before Taxation	(0.81)	(54)	33.69	2,071	1.00	67	544	65
Provision for Taxation	0.09	6	-	-	0.09	6	110	18
Profit After Taxation	(0.90)	(112)	33.69	2,071	0.91	61	434	47
Other Comprehensive Income	-	(52)	-	83	-	-	(7)	-
Total Comprehensive Income	(0.90)	(164)	33.69	2,154	0.91	61	427	47
Proposed Dividend	-	-	-	-	-	-	-	-
Country	U.S.A		U.A.E		Hong Kong		India	India

## 50. Investment Property

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

Though the Company measures investment property using cost based measurement, the fair value of investment property is Rs. 5,084 Lacs. Fair values are determined based on an annual evaluation performed by applying a valuation model by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

51. 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

**NIRAV R. PARIKH**  
Partner  
Membership No. 121674

Place : Mumbai  
Dated : May 24, 2017

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 24, 2017

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

Place : Mumbai  
Dated : May 24, 2017

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

Place : Mumbai  
Dated : May 24, 2017

## 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

RBL 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 &amp; 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



