

**Form A**

**{Pursuant to Clause 31(a) of the Listing Agreement}**

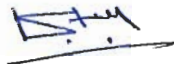
1	Name of the Company	Asian Star Company Limited
2	Annual Financial Statements for the year ended	March 31, 2015
3	Type of Audit qualification	Un-qualified
4	Frequency of observation	Not applicable

For Asian Star Company Limited



Mr. Vipul P. Shah  
CEO/Managing Director  
(DIN: 00004746)

For Asian Star Company Limited



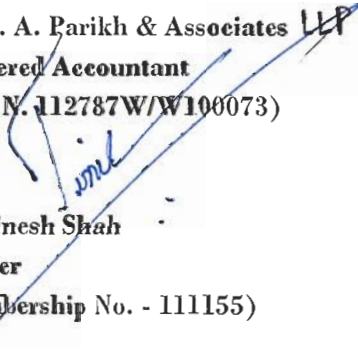
Mr. Dinesh T. Shah  
CFO & Chairman  
(DIN: 00004685)

For Asian Star Company Limited



Mr. Bhupendra K. Shroff  
Chairman of Audit Committee  
(DIN: 00004596)

For V. A. Parikh & Associates ~~LLP~~  
Chartered Accountant  
(F.R. N. 112787W/W100073)



Mr. Jinesh Shah  
Partner  
(Membership No. - 111155)



## Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

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

**Email** - info@asianstargroup.com, **Website** - www.asianstargroup.com, **Tel No:** +91 22 22047434, **Fax:** +91 22 22043747

### NOTICE

Notice is hereby given that the Twenty-First Annual General Meeting of the members of Asian Star Company Limited will be held on Wednesday, September 9, 2015 at 4.00 p.m. at Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next to Indian Oil Petrol Pump, Mumbai 400002 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit & Loss for the year ended March 31, 2015 and the Balance Sheet as at that date with the Report of the Directors and that of the Auditors thereon.
2. To declare dividend on the equity shares for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mr. Arvind T. Shah, (DIN: 00004720), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Rahil V. Shah, (DIN: 06811700) who retires by rotation and is eligible for re-appointment.
5. To consider and if thought fit pass the following resolution as an Ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. V A Parikh & Associates LLP, Chartered Accountants (FRN-112787W/W100073), who have offered themselves for re appointment and have confirmed their eligibility to be appointed as Auditors, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Audit Committee/ Board of Directors in consultation with the Auditors.”

#### SPECIAL BUSINESS:

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

**“RESOLVED THAT** Mrs. Neha R. Gada (holding DIN 01642373), who was appointed as an Additional Director by the Board of Directors of the Company with effect from March 30, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and in respect of whom the Company has received notice in writing from a member proposing her candidature for the office of Director be and is hereby appointed as an Independent Director of the Company for the term of five years.

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

**Place:** Mumbai

**Dated:** May 18, 2015

**By Order of the Board**

#### Registered Office:

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

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

## NOTES

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

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
3. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. Members attending the Annual General Meeting (AGM) of the Company are requested to bring their copy of this Annual Report and hand over the Attendance Slip, duly filled in and signed in accordance with their specimen signature(s) registered with the Company for admission to the AGM hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
5. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Register of Transfers for equity shares will remain closed from September 3, 2015 to September 9, 2015 (both days inclusive) for payment of dividend on equity shares.
7. The dividend as recommended by the Board of Directors, if declared at this Annual General Meeting, will be paid on or after September 9, 2015 to those shareholders whose names appear on the Company's Register of Members at the end of business hours on September 2, 2015. In respect of shares held in electronic mode, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of business hours on September 2, 2015 for this purpose.
8. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries at the registered office of the Company at least seven days in advance of the Meeting so that the information required can be made readily available at the meeting.
9. **Electronic copy of the Annual Report for 2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015 is being sent in the permitted mode.**
10. Members desirous of receiving the Documents in electronic mode are hereby requested to write a letter addressed to our registered office address or e-mail us at [secretarial@asianstargroup.com](mailto:secretarial@asianstargroup.com).
11. Members are requested to correspond with RTA for all matters relating to shareholding in the Company.
12. Members are requested to claim the unclaimed dividend if any, for the below mentioned financial years before the same are due for transfer to Investor's Education & Protection Fund.

Financial Year	AGM Date	Due Date *
2007-08	14 <sup>th</sup> AGM – 04.09.2008	09.10.2015
2008-09	15 <sup>th</sup> AGM – 29.09.2009	03.11.2016
2009-10	16 <sup>th</sup> AGM – 21.09.2010	26.10.2017
2010-11	17 <sup>th</sup> AGM – 29.09.2011	03.11.2018
2011-12	18 <sup>th</sup> AGM – 05.09.2012	10.10.2019
2012-13	19 <sup>th</sup> AGM – 19.09.2013	24.10.2020
2013-14	20 <sup>th</sup> AGM – 12.09.2014	17.10.2021

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

### 13. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from place other than venue of the AGM) to exercise their right to vote at the 21st Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

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

#### The instructions for members for voting electronically are as under:-

- i. The voting period begins on September 5, 2015 at 10.00 am and ends on September 8, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 2, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on September 8, 2015.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iv. Click on Shareholders.
- v. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

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

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

- xii. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
14. As per the provisions of the Companies Act, 2013 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Share Registrars and Transfer Agents.
16. The shareholders can also access the Annual Report 2014-15 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., [www.asianstargroup.com](http://www.asianstargroup.com) or on Stock Exchange website, which is [www.bseindia.com](http://www.bseindia.com)
17. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company's Share Registrars and Transfer Agents/ their Depository Participants, in respect of shares held in physical/ electronic mode respectively.

**Place:** Mumbai  
**Dated:** May 18, 2015

**By Order of the Board**

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

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

**ANNEXURE TO NOTICE:**

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 6:**

Mrs. Neha R. Gada, 39, is Chartered Accountant by profession, with more than 17 years of experience. Presently she is running a consultancy firm and specializes in matters related to SEBI regulations, listing/compliances with stock exchange and corporate restructuring. Considering her vast knowledge of corporate compliances under securities laws, listing of various securities with stock exchange and service at Bombay Stock Exchange in various departments including corporate services, surveillance and supervision and was instrumental in conceptualizing and implementing various systems and modules of the listing agreement, your Board of Directors at its meeting held on March 30, 2015 has appointed Mrs. Neha R. Gada as an Additional Non Executive – Independent Director on the Board of the Company.

In the opinion of the Board, Mrs. Neha R. Gada fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) add to that she has given a declaration to the Board of Directors to the effect that she meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Your Directors believe that her appointment shall be beneficial in the growth of the Company and hence, the Board recommends the appointment of Mrs. Neha R. Gada as Independent Director of the Company up to 5 (five) consecutive years as set out in Item No. 6 for the approval of the shareholders at the ensuing Annual General Meeting.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Neha R. Gada as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Neha R. Gada as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mrs. Neha R. Gada shall not be liable to retire by rotation. Except Mrs. Neha R. Gada, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

**Place:** Mumbai  
**Dated:** May 18, 2015

**By Order of the Board**

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

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

<b>Name of Director</b>	Mr. Arvind T. Shah	Mr. Rahil V. Shah	Mrs. Neha R. Gada
<b>Date of Birth</b>	March 27, 1947	February 25, 1992	March 22, 1976
<b>Expertise in Specific Functional Areas</b>	Mr. Arvind T. Shah has expert knowledge in manufacturing activities. His broad strategic vision, business acumen and professional conduct have contributed significantly in the success story of the company.	Mr. Rahil V. Shah has been instrumental in implementing new technologies at the factory and upgrading the ERP system and confidently handling various functions of the diamond business.	Mrs. Neha R. Gada expertise in SEBI regulations, listing /compliances with stock exchange and corporate restructuring.
<b>Qualifications</b>	B. Tech.	B. Com.	B. Com., C. A.
<b>Other Indian Companies in which Directorship held as on March 31, 2015.</b>	<ol style="list-style-type: none"> <li>1. Asian Star Jewels Private Limited</li> <li>2. Asian Star Diamonds International Private Limited</li> <li>3. Samruddha Gram Vikas Foundation</li> <li>4. Paresh K Mehta Investment Private Ltd</li> <li>5. Palanpur Community Foundation</li> <li>6. Asian Star Infotech Private Limited</li> </ol>	NIL	1. Dhhanish Advisors Private Limited
<b>Memberships of committees in Public Companies as on March 31, 2015 (includes only Audit Committee, Remuneration Committee, Shareholder's/ Investor's Grievance Committee)</b>	NIL	NIL	NIL
<b>Chairmanships of committees in Public Companies as on March 31, 2015 (includes only Audit Committee, Remuneration Committee, Shareholder's/ Investor's Grievance Committee)</b>	NIL	NIL	NIL
<b>Shareholding in the Company</b>	1,584,450 Equity Shares	NIL	NIL



## Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

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

**Email** - info@asianstargroup.com, **Website** - www.asianstargroup.com, **Tel No:** +91 22 22047434, **Fax:** +91 22 22043747

### ATTENDANCE SLIP

**21ST ANNUAL GENERAL MEETING ON WEDNESDAY THE 9TH DAY OF SEPTEMBER, 2015** at 4.00 p.m. at Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next To Indian Oil Petrol Pump, Mumbai - 400002.

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

I/We hereby record my/our presence at the 21st Annual General Meeting of the Company on Wednesday the 9th day of September, 2015 at 4.00 p.m. at Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next To Indian Oil Petrol Pump, Mumbai - 400002.

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

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

**Note:**

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





## Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

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

**Email** - info@asianstargroup.com, **Website** - www.asianstargroup.com, **Tel No:** +91 22 22047434, **Fax:** +91 22 22043747

### PROXY FORM

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

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

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

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

Address \_\_\_\_\_ Signature : \_\_\_\_\_

or Failing him

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

Address \_\_\_\_\_ Signature : \_\_\_\_\_

or Failing him

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

Address \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the company, to be held on the Wednesday September 9, 2015 at 4.00 p.m. at Sangam Hall, Agarwal Bhavan, 100-C, Marine Drive, Next to Indian Oil Petrol Pump, Mumbai - 400002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description
1.	Adoption of Financial Statements for the year ended March 31, 2015.
2.	Approval of Dividend for the financial year ended March, 31, 2015.
3.	Re-election of Mr. Arvind T. Shah.
4.	Re-election of Mr. Rahil V. Shah.
5.	To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM).
6.	Appointment of Mrs. Neha R. Gada, as an Independent Director of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix  
1 Rupee  
Revenue  
Stamp

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

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

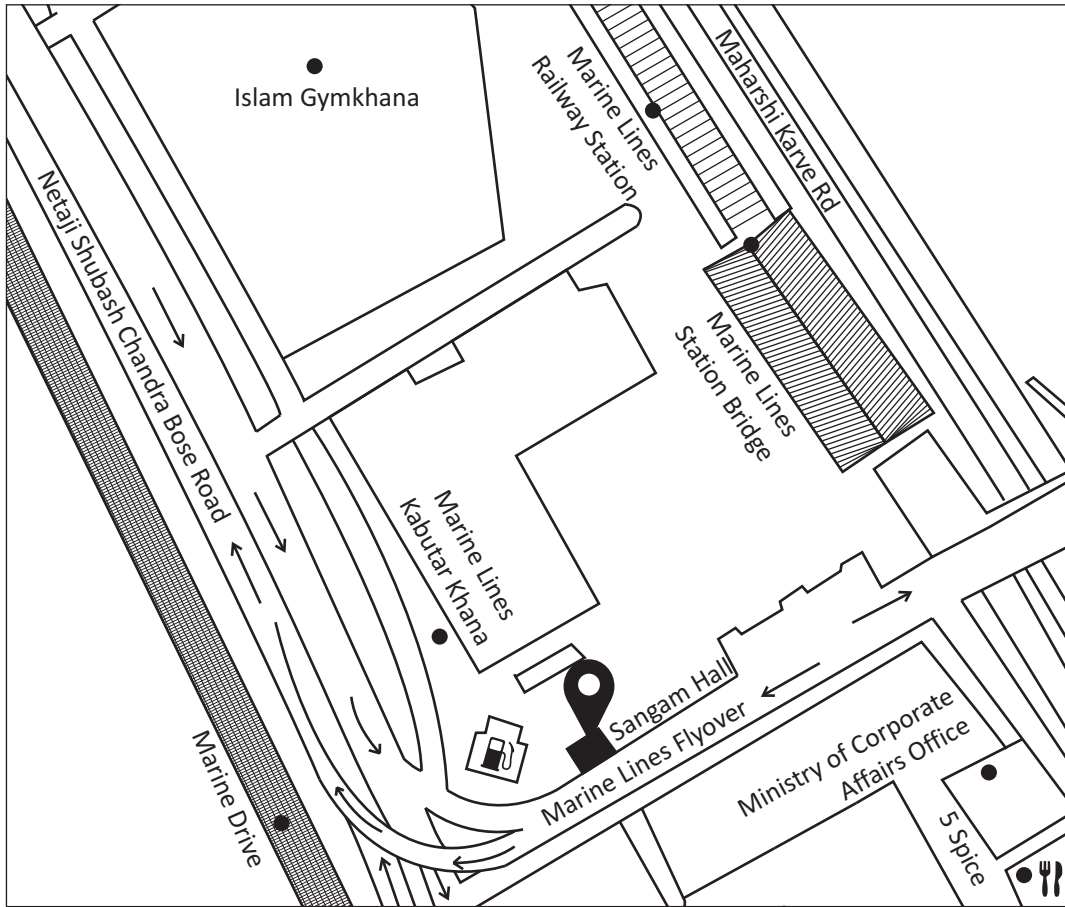
#### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 21st Annual General Meeting.

### Venue of AGM:

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

### Route Map



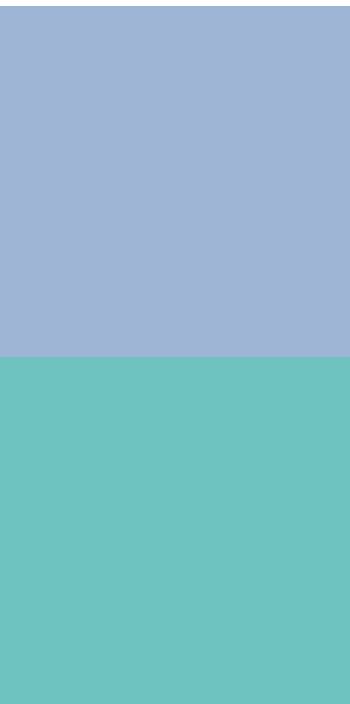
# DOING RIGHT THINGS. RIGHT.



# CONTENTS

01	Doing Right Things. Right
12	About Us
18	CEO & Managing Director's Message
20	Board of Directors
22	Management Discussion and Analysis
28	Directors' Report
48	Report on Corporate Governance
58	Financial Section
110	Corporate Information





Effectiveness is  
doing right things.  
Efficiency is  
doing things right.  
Excellence is  
**DOING RIGHT THINGS.  
RIGHT.**

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We live in a complex world, increasingly complicated and changing with new technologies and trends, ideas and innovations, preferences and predilections. Doing business in this fluid and ever evolving environment poses its own set of challenges:

- Businesses need to embrace change while remaining stable
- Businesses need to accelerate while maintaining balance
- Businesses need to do more while keeping resource levels same

In these times, more than ever, businesses need to focus on the fundamentals. At Asian Star, our focus is on a simple principle that shapes and moulds our business philosophy, strategy and model – Doing right things. Right.

**DOING RIGHT THINGS** translates into aligning our objectives with our overall vision and direction. It defines WHAT WE DO.

**DOING THINGS RIGHT** translates into implementing our strategy and executing our plans. It defines HOW WE DO IT.

Putting these two together - doing the right things and doing things right, creates a powerful synergy of thought and action, of vision and direction, and of strategy and execution.

At Asian Star, the top four RIGHT THINGS that define our success are

**CUSTOMER SATISFACTION, HUMAN RESOURCES,  
CORE COMPETENCIES AND INNOVATION.**

Delivering unfailingly on each of these RIGHT THINGS has enabled us to sustain the momentum of growth and deliver consistent performance over the years, and we are confident that our future success will also be driven by



**DOING RIGHT THINGS.  
RIGHT.**

# CUSTOMER SATISFACTION

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**Customers remain at the core  
of every business.  
They are the raison d'être of all that we do.**

The satisfaction of our customers revolves around meeting the expectations of their customers. At Asian Star, we have developed a deep understanding of our customers' customer by closely tracking the evolving trends, analysing regional preferences and following changing consumer behaviour. We work closely with our customers and regularly interact with them, helping them satisfy their customers.

## DOING IT RIGHT.

**Being in close proximity and touch with our customers** is critical to customer satisfaction at Asian Star. Our global footprint and presence covers the key production, trading and consuming centres of the world, ensuring we are always there for our customers anywhere in the world from Belgium - the biggest diamond trading point, to the USA - the largest jewellery market in the world. We have expanded our footprint eastwards to the emerging hot-spots of growth, and today have a maximum presence in the Far East, the Middle East and India. We are also strengthening our presence in the CIS, BRICS and the MIST regions.

**Focus on quality** through consistent perfection and excellence underpins customer satisfaction. At Asian Star, quality encapsulates delivering triple excellent diamond cuts and makes, developing unique and market-specific designs in diamond jewellery, ensuring timely deliveries and offering the advantages of size and scale to our customers. Our ability to customise enables our customers to offer differentiated and bespoke products.

**Marketing support** in the form of guidance and service forms an integral part of customer satisfaction at Asian Star. We share our experience and an expertise gathered over four decades of closely working in diverse markets from America to Europe to Asia with our customers. We provide key inputs for strategy and help with marketing support in the form of collateral development, design advice, range and inventory planning, certifications, etc.

# UNMATCHED VALUE PROPOSITION

---



Presence in key diamond hubs from the East coast to the West coast, to be close to our customers.



Best-in-class skills for highest quality of diamond cuts and diamond jewellery to help customers delight their customers.

Sync, share and support customers in marketing strategy and execution.

# HUMAN RESOURCES

**People are the heart and soul  
of every business.**

**Human Resources are the most valuable  
and indispensable of all resources.**

Ensuring that our people are happy and satisfied is one of the key fundamental focus at Asian Star. As we take special care that our people across departments, divisions and functions intrinsically feel that they are part of one big-family with a strong sense of belonging and gratification.

## DOING IT RIGHT.

**Employee satisfaction** is closely connected to fulfilment of their aspirations and goals. At Asian Star, we have always endeavoured to align the personal goals and objectives of our people with those of the organisation. We guide them through regular job orientation and rotation programmes to match their capabilities with the right job profile. We encourage our employees to reach for the stars and achieve their dreams. We support the aspirations of every employee and ensure that each person working with us develops, progresses and elevates both professionally as well as personally.

**A big united family**, sharing success and growth, defines the work-culture at Asian Star. A large number of our employees have been working with us for a long time. While we are a large organisation, we remain a close unit. The senior management usually know each employee personally, and take special care to mentor, inspire and encourage them to reach greater heights.

**A deep sense of belongingness and bonding** differentiates our people. Team-building and cross-job trainings are a regular feature at Asian Star. This cultivates a wider sense of sharing each other's success and knowledge, not to mention an invaluable personal connect and touch that is so often found missing across the various divisions of large organisations. Initiatives like overseas training, off-site workshops and annual day celebrations continue to strengthen this bonding.





# POWERED BY PEOPLE

---

One big-family of  
2909 employees

Team-building  
and cross-job  
trainings develop  
strong bonds

Personal goals  
aligned with  
organisational  
objectives through  
orientation  
programmes



# CORE COMPETENCIES

**Core competencies are the foundations of business.**

**They form the pillars on which growth and success is built over the years.**

At Asian Star, we have been focusing and building upon our core competencies. Manufacturing continues to remain our key strength, augmented by our matchless track-record of over forty years and fortified with deep customer relationships across continents and generations.

## DOING IT RIGHT.

**Manufacturing** has been one of our core strength and differentiator over the years. We built upon our manufacturing competency through continued investments in both skills and capacities, with sustained R&D often pre-empting the latest developments in the industry. In the diamond cutting and polishing business, our manufacturing today has reached a level where we can deliver any cut demanded by customers. In the diamond jewellery business, we have one unit totally dedicated for the international markets and two units focussing on the burgeoning local market in India. We leverage our manufacturing strength to deliver a unique value proposition to our customers of consistent quality, timely delivery and compelling cost advantages.

**Our legacy and pedigree** stand us apart and above others. We have never shifted our focus away from diamonds. We have a strong and spotless track-record of over forty years. Each generation built further on the legacy of the previous generation. The current generation is the third generation that continues with the rich experience, knowledge and commitment that has established a sparkling reputation for Asian Star with top global brands and retailers.

**Nurturing and growing relationships** is at the heart of our success. The diamond business is a business defined by trust and determined by relationships. At Asian Star, we have been successful in nurturing and growing our relationships due to our single-minded focus on customer-satisfaction. Our relationship with our customers goes beyond the product. We work with them through the entire business cycle - market insights, fashion trends, consumer preferences, design development, branding and marketing.



# PILLARS OF STRENGTH



Manufacturing expertise reinforced over 40 years through continued investments in both skills and infrastructure

Three generations in the business

Strong relationships with top retail chains and brands in the world, some of which span decades



# INNOVATION



**Innovation does not always mean doing new things. Innovation also means doing the same things differently to deliver higher efficiency and better results.**

At Asian Star, we are constantly endeavouring to push the limits by re-inventing not only products and processes, but also our approach and orientation. We have always believed in adapting and evolving to meet the ever-changing external environment and industry dynamics.

## DOING IT RIGHT. AND DIFFERENTLY.

**Professional organisation** where openness and transparency are paramount drives Asian Star. In an industry that was dominated by tightly-held, proprietorship businesses, we decided to do things differently. We were among the first in the industry to become transparent and open by getting publicly listed in 1996. We are amongst the handful of Indian diamantaires with a listing on the Bombay Stock Exchange. We have always endeavoured to follow the best-practices in compliance, transparency and professionalism, sharing our success with all the stakeholders. It is this transformation to an organised and professional entity that has stood us apart in the competitive landscape. It created a solid platform of trust and reliability, making us the preferred supplier partner to the top global retailers and brands.

**Ensuring consistency and developing different, innovative products** are key to product differentiation. The 'Asian Star Make' is today almost a brand in itself. We are well-known and stand apart for our cuts. We have developed a niche by creating innovative and special cuts in even the smallest sized diamonds, and special diamond settings in diamond jewellery that are lightweight, yet look big, at relatively affordable prices. We have reduced manufacturing time-lines by 50 per cent and moved towards a zero-defect product by re-engineering and proto-production processes.

**Changing our business orientation to become customer-centric and service-focused** showcases our adaptability to change. Adding this service-focus to product-focus required a transformation in the approach and orientation of the entire Company, and not only the manufacturing division. Today, every division and function at Asian Star is aligned to customer needs, and it is this re-orientation that made us transverse the gap from being a vendor to a business partner for our customers.



# THINK DIFFERENT. DO DIFFERENTLY.

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Transform to  
become an  
organised and  
professional  
entity

Innovate to carve  
a niche in the  
marketplace with  
differentiated  
products

Re-orient  
business outlook  
to become  
business partners  
for customers



# DOING RIGHT THINGS RIGHT IS NOT LIMITED TO FINANCIAL PERFORMANCE AND SUCCESS IT GOES BEYOND THE NUMBERS.

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## SHARING SUCCESS

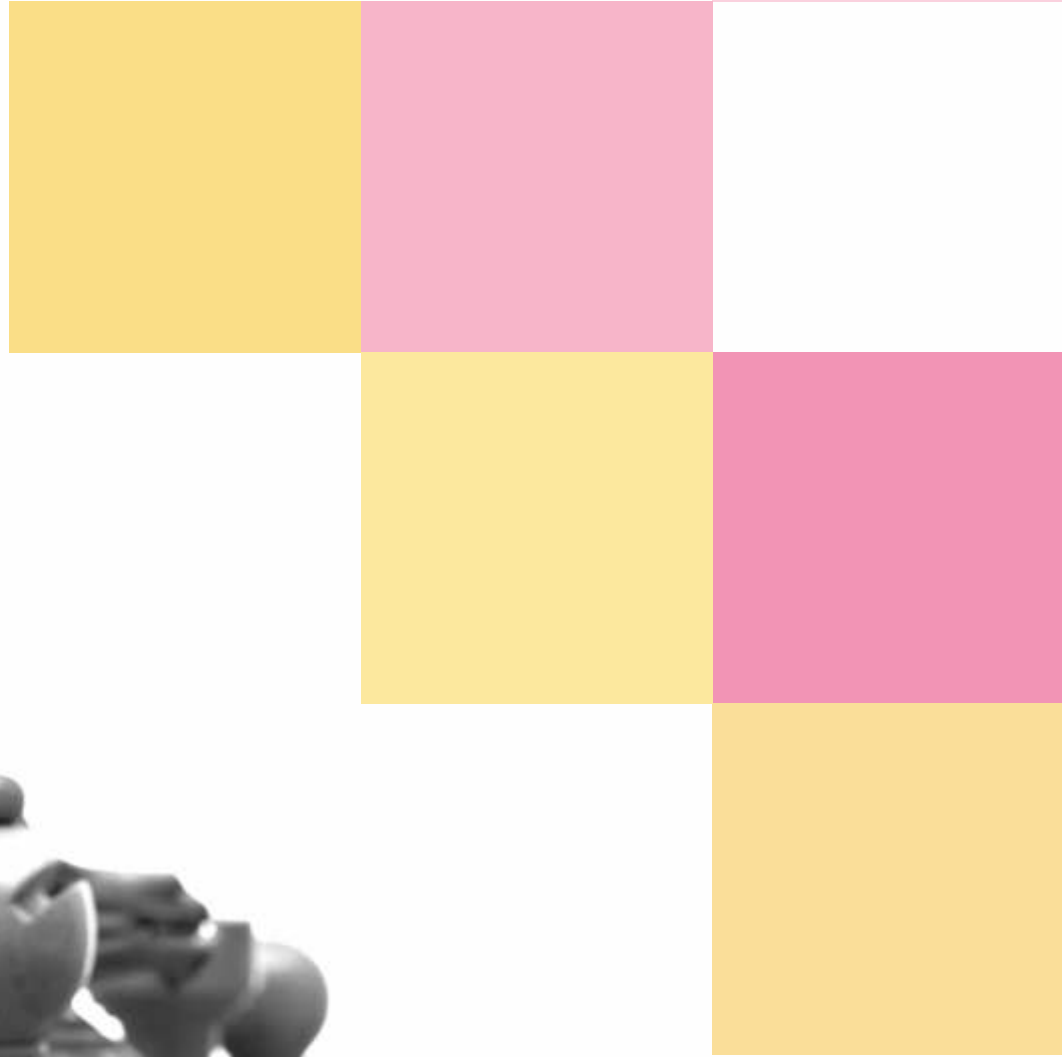
At Asian Star, we have always strived to be responsible corporate citizens. We believe as a Company, we need to share our success and regularly contribute to education, empowerment, health and other social initiatives.

- We promote knowledge acumen amongst the youth, especially the girl child, through our school projects, set up independently and in association with the local government and education trusts.
- Provide medical assistance through own trust - Aatam Deep, and by actively supporting ongoing healthcare programs set up by non-profit institutions.
- Make a positive difference in diamond producing countries through our association with Diamond Empowerment Fund (DEF), an international non-profit organisation that supports initiatives to provide youth in diamond producing nations with access to high quality education.

## EXCELLENCE UNDERLINED

The numerous awards, rankings and ratings conferred on us by the government, industry bodies and reputed business institutions only validate the success of our philosophy, strategy and business model.

- Listed on Dun & Bradstreet and Economic Times top 500 Indian companies.
- A2+ financial rating for short term facilities from CARE (Credit Analysis & Research Ltd.).
- Accreditation for maintaining international quality standards and ethical business practices - from RJC (Responsible Jewellery Council) and TUV NORD, Germany (ISO 9001:2008).
- International design awards for innovation and manufacturing expertise.
- Awards from government and industry bodies for highest export contribution.
- Preferred purchaser of rough diamonds of major mining companies such as Alrosa, De Beers, Dominion and Rio Tinto.



# ABOUT US

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

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

## PEOPLE

**TOTAL COUNT: 2909 EMPLOYEES**

## CORPORATE OBJECTIVE

### VISION

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

### MISSION

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

### VALUES

Integrity, Partnership, Excellence, Responsibility, Unity.







**SURAT**  
(Diamond Cutting & Polishing)

# BUSINESS PRESENCE

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

**Our business portfolio encompasses:**

**Loose Polished**

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

**Diamond Jewellery**

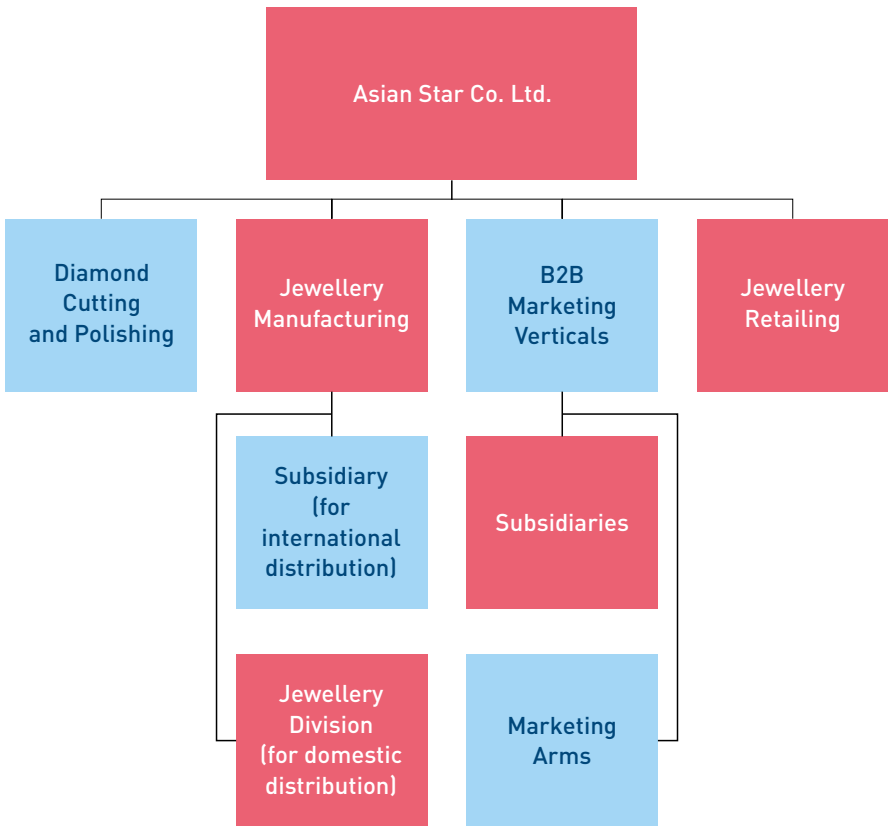
Specialist in fashion, bridal and solitaire diamond studded jewellery, in gold and platinum, for the domestic and international markets; spans all categories like Rings, Earrings, Pendants, Bracelets, Bangles, Necklaces, etc.

**Diamond Jewellery Retailing**

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

**Power**

Windmills in Maharashtra, Kerala and Tamil Nadu.



# GEOGRAPHIC PRESENCE

## Manufacturing Centres

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

## Marketing Presence

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

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



# KEY STRENGTHS

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

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

**Strong marketing capabilities and well penetrated distribution network.**

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

**Direct access to primary sources of rough.**

We have contractual rough supply from major mining companies such as Alrosa, De Beers, Dominion and Rio Tinto.

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

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

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

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

**Well-established manufacturing capabilities coupled with cutting edge technology.**

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

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

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

## LISTING

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

As on 31st March 2015 Asian Star Co. Ltd. had a market capitalisation of Rs. 2006 crore.

## ACHIEVEMENTS

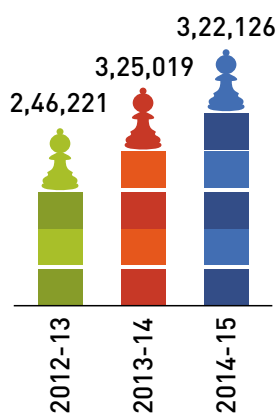
Ranked 282 in Dun & Bradstreet's 'India's Top 500 Companies' in 2014.

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

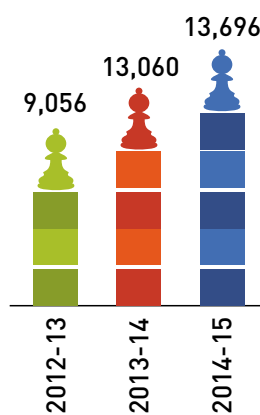
Certified member of the Responsible Jewellery Council (RJC).

# CONSOLIDATED FINANCIAL PERFORMANCE

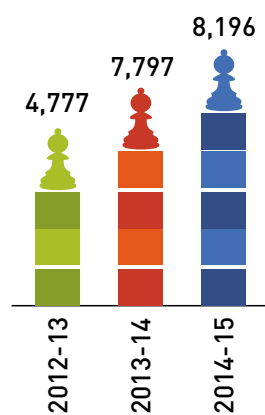
**TURNOVER**  
(Rs. in lacs)



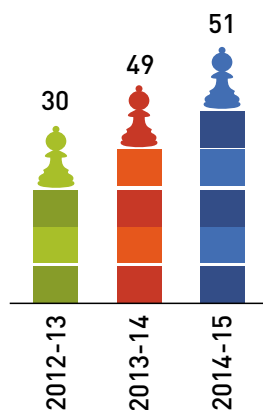
**EBIDTA**  
(Rs. in lacs)



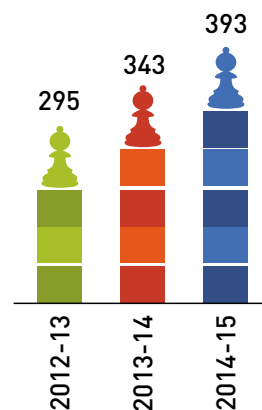
**PAT**  
(Rs. in lacs)



**EPS**  
(in Rs.)



**BOOK VALUE**  
(in Rs. per share)



# CEO AND MD'S MESSAGE



*"We have always believed that enduring success and excellence comes from Doing right things. Right."*

*Vipul P. Shah*



## DEAR SHAREHOLDERS,

It is always a pleasure and a privilege to share with you how the year fared and the outlook for the future is.

It is an exciting time for companies in India; the new government has unleashed a slew of structural reforms that have revived confidence, re-vitalized growth. From banking to insurance to defence to infrastructure, all core sectors of the economy have witnessed wide ranging reforms in 2014-15. The path-breaking 'Make in India' initiative is a long-term, directional programme that will boost manufacturing in India, taking it leaps ahead both in terms of quality as well as quantity. In line with international practices, the Central Statistics Organisation changed the GDP calculation method to market price from factor cost. Also, the base year for measuring the GDP has changed to 2011-12 from 2004-05. The combined effect of reforms and revision of GDP methodology resulted in GDP growth at 7.3 per cent for 2014-15, compared to 6.9 per cent in 2013-14, as per Indian Economic Survey 2014-15. The total Indian GDP crossed US\$ 2 trillion for the first time.

Globally, growth remained moderate at 3.4 per cent owing to challenging economical and geo-political situation in the Middle East and Ukraine. The continued uncertainty of how the government in Greece tackles the debt-repayment issue - whether Greece chooses to opt out of the European Union - kept financial markets unsure. However, there was a more than expected improvement in the USA, driven by improvement in jobs as well as consumer spending.

The Gems and Jewellery industry faced multiple challenges in 2014. These included falling demand in China, unrest in the Middle East, declining European market and weakening Russian rouble. In spite of these adverse conditions, the industry continued with consistent efforts to reach out to new markets through global trade fairs and buyer-seller meets. Due to these efforts, the overall gross exports of gems and jewellery for 2014-15 was US\$ 39.89 billion, marginally lower by 0.62 per cent in dollar terms but showing a growth of 0.43 per cent in rupee term. The gross exports for cut and polished diamonds in 2014-15 was US\$ 23.16 billion compared to US\$ 24.49 billion in the previous year, a decline of 5.46 per cent, whereas exports for gold jewellery showed growth of 17.77 per cent at US\$ 9.85 billion.

The industry is expecting to reverse this trend in the short term, by aligning the industry's thrust areas with the 'Make in India' initiative of the government and by working with diamond mining companies to promote diamonds and diamond jewellery at a generic level. Another important trend that has emerged is the growing acceptance of online jewellery purchase, which is really part of the larger phenomenon of increasing dominance of e-commerce in the country.

At Asian Star, even though the last twelve months were challenging, we were able to overcome these with our sustained and focussed efforts. We have always believed that enduring success and excellence comes from DOING RIGHT THINGS. RIGHT. In our business particularly, the top four factors that ensure enduring success are Customer Satisfaction, Human Resources, Core Competencies and Innovation. It is this focus that drove both strategy and execution, and ensured that in spite of a challenging year, we were able to maintain our performance.

Our consolidated turnover for the year was Rs. 3,225 crores compared to Rs. 3,250 crores in the previous year, a marginal drop of 0.77 per cent. The diamond business for the year was Rs. 2,749 crores against Rs. 2,768 crores in the previous year, a drop of 0.69 per cent, and the jewellery business contributed Rs. 467 crores compared to Rs. 476 crores in the previous year, a reduction of 1.89 per cent.

In spite of pressure on topline, we were able to deliver marked improvements in margins. For the year, Profit before Tax (PBT) increased to Rs. 101 crores compared to Rs. 97 crores in the previous year, an improvement of 4.12 per cent. Profit after Tax (PAT) increased to Rs. 82 crores against Rs. 78 crores in the previous year, an improvement of 5.13 per cent.

The outlook for the forthcoming year is positive and optimistic. Optimism is highest in the USA and India, while in China expectations are that growth will pick up as the year progresses. The world's largest diamond market, USA, is forecast to continue moving ahead on its economic recovery. The sustained improvement in consumer confidence is expected to maintain momentum and could boost growth in demand for diamonds. In India, the government is focused and determined to maintain its thrust on Gems and Jewellery as a focal area for exports. The government is discussing a plan to set up a special zone with tax benefits for diamond import and trading in Mumbai, to try and develop the country's financial capital as a competitor to Antwerp and Dubai, which are currently trading hubs for the precious stone. The Gems and Jewellery Skill Council of India is planning to train over four million persons till 2022 as the sector is facing shortage of skilled manpower. All these developments strongly signal a brighter 2015.

I thank you all for your sustained trust and support and assure you we will continue with our philosophy and culture of DOING RIGHT THINGS. RIGHT.

*Yours Sincerely,*

**Vipul P. Shah**  
CEO & Managing Director

# BOARD OF DIRECTORS



**DINESH T. SHAH**  
CHAIRMAN & CFO

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



**VIPUL P. SHAH**  
CEO & MANAGING DIRECTOR

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



**ARVIND T. SHAH**  
EXECUTIVE DIRECTOR

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



**PRIYANSHU A. SHAH**  
EXECUTIVE DIRECTOR

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



**RAHIL V. SHAH**  
EXECUTIVE DIRECTOR

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



**DHARMESH D. SHAH**  
DIRECTOR

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





**K. MOHANRAM PAI**  
DIRECTOR

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



**BHUPENDRA K. SHROFF**  
DIRECTOR

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



**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.



**APURVA R. SHAH**  
DIRECTOR

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



**MIYAR R. NAYAK**  
DIRECTOR

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



**MILIND H. GANDHI**  
DIRECTOR

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



**NEHA R. GADA**  
DIRECTOR

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

# MANAGEMENT DISCUSSION AND ANALYSIS



## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OVERVIEW

The Global economy witnessed divergent trends among various economies across the globe. Growth in most economies of the world still remains protracted, recovery is subdued and prospects remain challenging. The year 2014 saw the world output maintained at 3.4 per cent, similar to 2013, according to World Economic Outlook released in April 2015 by the International Monetary Fund (IMF). According to the Global Economic Prospects published by the World Bank (WB) in January 2015, the global real GDP grew marginally to 2.6 per cent in 2014, compared to 2.4 per cent in the previous year.

Overall, there is a glimmer of optimism in the air as global growth appears to be turning for the better. While there was a marked pickup in growth in the advanced economies, growth slowed down in the emerging markets and developing economies. However, despite this slowdown, emerging markets and developing economies still accounted for around seventy-five per cent of global growth in 2014. In the USA, there was a stronger than expected growth, driven by increase in consumption, which was in turn, driven by steady rise in job creation and low oil prices, particularly in the latter half of the year. According to IMF, the output of US increased to 2.4 per cent in 2014, compared to 2.2 per cent in 2013. The ongoing geo-political crisis in Ukraine and uncertainty over whether Greece would opt out of the EU was the key factors contributing to weakness in growth in Europe. However, there was a ray of optimism during the fourth quarter as low oil prices triggered higher consumption.

For the two engines of growth in Asia, namely China and India, the year 2014 was a contrasting year : in China, growth slowed down to its lowest in the last twenty four year, while in India, the new government ushered in bold structural reforms. The Chinese economy grew at 7.4 per cent in 2014, its lowest since 1990, missing the government's target of 7.5 per cent. After three decades of double digit growth, this has been termed as a natural slowdown.

India's economy is poised for recovery and may return to its high growth path. India's macro-economic environment has improved across various parameters compared to the previous fiscal 2014, with low stable inflation, benign commodity prices, lower fiscal and current account deficit, higher foreign exchange reserves and a stable currency. As per revised methodology adopted by Central Statistical Organisation, India's GDP for 2014-15 grew at 7.3 per cent compared to 6.9 per cent in 2013-14. Also, this is the first time that India's GDP crossed US\$ 2.1 trillion in absolute terms. The new government with strong political mandate has initiated reforms in core sectors like banking, insurance, infrastructure and defence. The monetary policy has been overhauled. The Reserve Bank of India has also changed its stance and has reduced repo rate by 0.50% in the last

quarter. With more clarity in government policies, relaxation in various procedures and fast project clearances, there is a rejuvenated optimism among corporates and industrialists amid improved sentiments and confidence level among bankers and investors.

### INDUSTRY OVERVIEW

#### Global Gems and Jewellery Industry

The year 2014-15 was yet another challenging year for the global Gems and Jewellery Industry as it continued to be affected by the over-arching macro factors – economic and geopolitical. The industry has been facing liquidity crunch like never before. With increasing cases of default, banks worldwide have become more careful about lending to the industry. They have been forced to become stricter and more selective in extending credit. Many reputed banks have withdrawn/curtailed their exposure to the industry creating upheaval in the market, with far-reaching consequences.

The USA continues to be a key market with largest market share. The past year was a record one for the US jewellery market, with the demand touching a record \$78.08 billion. With continued improvement in the US economy, consumers are more confident and are willing to spend more on jewellery. Growth in Euro zone remained subdued with continued uncertainty, particularly due to crises in Ukraine and Greece. This had a huge impact on consumer sentiments. This was, to an extent, balanced out with growth in Asia-Pacific and the Middle East. India and China continue to be chief drivers of growth in the Asia-Pacific region with steady rise in demand in line with the growing incomes, particularly of the middle-class. Another factor driving demand in this region is the rapid growth in urban population that is increasingly being exposed to, and becoming aware of, variety of jewellery and latest trends in the market leading to an overall rise in spend. This trend is expected to continue in the near and mid-term.

According to "Global Gems & Jewellery Market Forecast & Opportunities, 2019", The global Gems and Jewellery market is expected to grow at a CAGR of about 6 per cent during 2014-19.

#### The Indian Gems and Jewellery Industry

India has a rich history and legacy of gems and jewellery. Over centuries, the country has developed a special niche in diamond-cutting and polishing, with an expertise and skill pool stretch across centuries and generations.

Today, the Gems and Jewellery industry is a critical part of the Indian economy with a contribution of 6-7 per cent to the national GDP. The industry also contributes significantly to the foreign exchange earnings of the country, besides being a key employment generator. According to Gems & Jewellery

Export Promotion Council (GJEPC), Gems and Jewellery account for nearly 13 per cent of India's merchandise exports. The overall value of Gems and Jewellery exports for 2014-15 was US\$ 39.89 billion against US\$ 40.14 billion in the previous year falling marginally by 0.6 per cent. However, in Rupee terms, exports rose by 0.4 per cent to Rs. 243,885 crores against Rs. 242,837 crores in the previous year. This is a commendable performance, considering the challenging global economic environment.

#### **Cut and Polished Diamonds**

India enjoys unique advantages in this field owing to its long tradition and continued expertise. It is the largest centre for cutting and polishing diamonds in the world. Over the last few years, the industry has steadily moved up, building upon its capacities and capabilities. It has successfully made a transition from smaller cuts to specialised cuts. Today, it offers the unique advantage of cost effectiveness, assured quality, fine make and quick turn-around times.

During the year 2014-15, exports of cut and polished diamonds fell by 5.46 per cent to US\$ 23.16 billion compared to US\$ 24.49 billion in the previous year. In volume terms, 345.35 lakh carat were exported in FY2014 against 365.99 lakh carat in the previous year, a decline of 5.64 per cent. Against this, the import of rough diamonds during the period April-March 2015 increased nominally by 0.15 per cent to US\$ 16.74 billion compared to US\$ 16.71 billion in the previous year. In terms of volume, however, there was a decline of 9.06 per cent in 2014-15 with a total of 1473.41 lakh carats imported compared to 1620.17 lakh carats in FY2014.

#### **Jewellery**

Jewellery has been one of the most exciting segment of the Gems and Jewellery industry. The segment witnessed impressive growth during the year. According to GJEPC, exports of gold jewellery during the year 2014-15 was US\$ 9.85 billion compared to US\$ 8.36 billion in the previous year, registering a rise of 17.7 per cent. This spectacular performance is a reflection of the sustained marketing, branding and promotional efforts by the industry, not to mention its ever-improving design and manufacturing excellence.

According to a report by Research and Markets, the Jewelry Market in India is expected to grow at a CAGR of 15.95 per cent over the period 2014-2019. The sector is witnessing changes in consumer preferences and buying habits. The industry is going through a transformation from being an 'investment buy' to a 'fashion statement' with increasing preference for branded jewellery. Growing population of youth, working women and middle class with increasing disposable income is driving the demand for diamond jewellery.

### **COMPANY OVERVIEW**

Established in 1971 and headquartered in Mumbai, Asian Star Company Limited is one of the world's leading integrated diamond retailers. The Company straddles the entire

value chain and has a formidable presence in diamond manufacturing, jewellery manufacturing and retailing.

It is one of the few companies which have contractual rough supply from major miners in the world. The Company has always focussed on its core-competencies of maintaining and building upon its manufacturing prowess. With its consistent fine make and excellence in quality, the Company has been a preferred supplier to some of the top international brands and retailer chains.

#### **Manufacturing Facility for Polished Diamonds**

The Company has developed a unique expertise in diamond manufacturing that combines economies of scale and scope, value-added marketing support and highly skilled workmanship. It has a world class manufacturing facility in Surat with state of the art machines and equipments. Spread across 1 lac square feet, this facility employs more than 1600 employees and has specialised in delivering customised proprietary cuts. The Company has been known for the consistency in its quality and cut which is known as 'Asian Star Make' in the industry.

#### **Manufacturing Facility for Jewellery**

The Company has three diamond jewellery manufacturing units located at Mumbai and Hosur. One unit at Mumbai is dedicated for the international markets, while the other two cater to the fast growing domestic market. These units equipped with latest technology and advance machinery are spread over 50,000 sq.ft. and employ over 500 workers. They create customised products to suit specific market needs by blending exquisite diamonds with a variety of precious metals and combining innovative designs with superb craftsmanship. With 'Lean Manufacturing Process' these units deliver highest quality at compelling costs. The Company has expertise and capacity to cater to international, domestic and regional markets with a product range from mass produced jewellery to exclusive couture jewellery.

#### **Distribution**

Some of the world's top and best known brands and retailers have been Asian Star's customers for many years. The Company has always strived to deliver highest levels of customer satisfaction, and has therefore, expanded its reach to be at a close proximity to its customers. Today, the Company has a presence in all the important trading and consuming centres spread across the continents of Asia, Europe and America. The Company has aligned its global presence over the years through focused marketing and expansion into newer geographies and emerging hotspots of consumptions. Presently, the Company has a strong presence in the Far East, the Middle East and India – all important and emerging markets. The Company is also strengthening its presence in the CIS, BRIC and MIST regions.

#### **Retail**

The Company has a niche retail presence through its couture boutique catering to HNI customers. The boutique

specialises in customised jewellery as well as in jewellery design consultancy. It offers an impressive range of prêt diamond jewellery. The jewellery designs of the boutique are simple yet elegant, harmoniously blending the best of modern and classic styles.

## FINANCIAL OVERVIEW

Notwithstanding the fact that there were significant challenges both in the international markets as well as domestically, the Company has performed satisfactorily during the year. While the difficult operating environment pressurized the top-line, the Company has done well to improve its margins. This has been achieved with the Company's approach, strategy and mind-set of DOING RIGHT THINGS RIGHT. By strategically focussing on the top success factors and channelling unrelenting efforts on each of these, the Company has been able to sustain its financial performance.

The Company's consolidated turnover for the year 2014-15 was Rs. 3,225 crores compared to Rs. 3,250 crores in the previous year, indicating a marginal decline of 0.77 per cent. The diamond business for the year was Rs.2,749 crores against Rs. 2,768 crores in the previous year, declining by 0.69 per cent, and the diamond jewellery business for the year was Rs. 467 crores compared to Rs. 476 crores in the previous year, dropping by 1.89 per cent.

In spite of stress on the top-line, there was a clear improvement in margins. Profit before Tax (PBT) for the year increased to Rs. 101 crores compared to Rs. 97 crores in the previous year, an improvement of 4.12 per cent. Profit after Tax (PAT) for the year increased to Rs. 82 crores against Rs. 78 crores in the previous year, an improvement of 5.13 per cent.

## FUTURE OUTLOOK

According to the World Economic Outlook published by the International Monetary Fund (IMF) in April 2015, global growth is projected to increase moderately to 3.5 per cent in 2015 compared to 3.4 per cent in 2014, and further increase to 3.8 per cent in 2016. This improvement will be driven by revival in advanced economies supported by lower oil prices.

In the US, growth is expected to pick up to over 3 per cent in 2015-16 led by improved demand due to steady improvement in employment opportunity, encouraging housing data, growing stock markets, favourable oil prices as well as support in the form of accommodative monetary policies. In the Euro Area too, growth is expected to gather momentum in 2015 and 2016 to 1.5 and 1.6 per cent respectively.

In India, there is a renewed sense of optimism and positivity. The structural reforms undertaken by the government in the core sectors are likely to have positive long-term impact on the overall economy. New foreign trade policy unveiled by the government provides a framework to boost export of goods and services, generation of employment keeping

in line with the "Make in India" campaign launched by the Government.

Both the IMF and the World Bank have predicted the Indian economy to grow at a minimum of 7.5 per cent for the next two years. In fact, the World Bank, in its India Development Update, has estimated the Indian growth rate at 7.9 per cent in FY 2017 and 8 per cent in FY 2018.

For Gems and Jewellery Industry, year 2015 is expected to be better than the past year. The US, which is the largest global jewellery market in the world, is expected to see a consistent growth. Demand from Middle East region has started showing signs of improvement. While, China is also expected to improve with growing HNIs despite slowdown in overall economic growth. South America is emerging as a market with high potential with growing appetite for diamond jewellery in countries like Argentina, Chile, Uruguay, Colombia and Ecuador.

India is witnessing consistent economic growth which is enhancing employment and business opportunities and in turn increasing disposable incomes. A recent study by the McKinsey Global Institute suggests that if India continues to grow at the current pace, average household incomes will triple over the next two decades and it will become the world's 5th-largest consumer. The middle class with its rising numbers and incomes is becoming the biggest market segment. The affluent class too will continue to grow in terms of size and value, albeit, at a slower pace than the middle class. The government of India has declared the sector as a focus area for export promotion based on its potential for growth and value addition. The government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote brand India in the International market. Looking at the holistic picture, the overall outlook for the industry is very promising.

## OPPORTUNITIES

### Growing Demand In Key Markets USA

USA continues to dominate the Gems and Jewellery industry as it is the largest diamond market in the world. The economy in the country has been steadily picking up, notably in the last quarter of 2014-15 as consumption increased significantly driven by low oil prices. Besides, the other important factor – employment, has also been rising. This is likely to have a positive impact on the overall demand for diamond jewellery, particularly in the sub-segment of engagement rings. Engagement rings is the largest segment of the entire US diamond jewellery industry, and accounts for over half of the total market.

### China

After the US, China is the second largest diamond market in the world. Rising income levels over the last few years have



transformed the jewellery market in China. The rapidly growing middle class with high disposable income and a higher aspirational level is the key driver for the surge in demand for diamond jewellery.

According to a research by WealthInsight, there has been an increase by 52.8 percent in the number of high net worth individuals (HNWI) in China between 2010 and 2014. WealthInsight forecasts that the number of Chinese millionaires is set to double and reach 2.2 million by 2019, while wealth is expected to grow by 75.9 percent, to reach \$9.5 trillion by the same year. This augurs well for the industry and the surge in demand from China is expected to pick up pace in the near and mid-term.

#### **India**

Demand for diamond jewellery in India is expected to continue to rise, chiefly driven by the rapidly growing middle-class with higher disposable incomes. India has one of the best demographics dynamics in the world, with around 66 per cent of its population being under the age of 35. The Indian economy is emerging as the fastest growing economy in the world and is forecast to maintain a high growth rate in the near and mid-term. The middle-class, particularly the youth, are confident and aspirational, not holding back as far as discretionary spends are concerned. They are increasingly spending higher amounts on leisure and lifestyle.

#### **On Line Retailing**

During the last two years, there has been an unprecedented explosion in the e-commerce space in India. A combination of internet penetration, surge in usage of smart devices and dramatic improvement in delivery have unleashed the true potential of e-commerce in the country. The traditional brick-and-mortar businesses are fast adapting to the click-based and tap-based models with extending their physical presence into the digital space. The jeweller business has also been benefitted by the online retail revolution as major retailers and brands are now discovering the immense potential and advantages of digital media making it possible to exponentially expand their footprint and brand presence, with minimal costs and time lags. The online retail segment is expected to continue growing, auguring well for the industry.

#### **India as a New Trading and Sourcing hub**

With a view to make India a key trading and sourcing hub for diamonds, The Ministry of Commerce is actively considering setting up of a Special Notified Zone (SNZ). This special zone will provide the much needed thrust to the diamond industry allowing duty free movement of goods by miners across the world. They can bring rough on consignment basis, display to local buyers, conduct regular auction of roughs and take back unsold quantity without any levy of tax. This will encourage international mining companies to sell their rough diamonds directly in India giving the Indian diamond industry a strong competitive advantage over other diamond

trading centres of the world and will also ensure a steady supply of rough diamonds in India.

## **RISKS, THREATS AND CONCERNS**

### **Depleting Old Mines**

Majority of the global output of rough diamonds comes from top nine producer countries - Russia, Botswana, DRC, Australia, Canada, Zimbabwe, Angola, South Africa and Namibia. The major diamond mines in all these countries are now past their peak level production. Explorations in the last few years have not been very successful in finding any major new mines. Depleting reserves has led to increased pressure on the existing mines to cater to the increasing demand across the globe for diamonds. With the local beneficiation programme in the mining countries, an increasing portion is retained for local processing units further affecting the supplies to Indian Industry.

Asian Star is amongst the few companies who have contractual rough supply from major miners in the world. The Company also has alternative direct sources of rough supply, and thus is assured of continuous supply of rough at competitive price.

### **Synthetic Diamonds**

With Sophisticated technology and years of research it is possible to make diamonds which are near identical to the natural diamonds. It is difficult to differentiate between natural and synthetic diamonds. These diamonds poses a risk of being a cheaper substitute of natural diamond. Various instances of mixing of synthetic diamonds with natural diamonds have been reported. This poses a greater risk of undermining consumer confidence and affecting the perception of the industry.

Industry has taken various pro active measures to safeguards against the threat of synthetic diamonds. Technically advanced instruments have been developed which have been successful in detecting them. Various initiatives have been taken by diamond producers, manufacturers and trade bodies to create awareness about synthetic diamonds. Proper disclosure at all levels of value chain and use of equipments to detect the undisclosed synthetic diamonds have been encouraged to boost consumer confidence.

### **Liquidity Crunch**

Being a capital intensive industry, financing is crucial for various segments of the diamond value chain. Industry growth has been backed by bank financing. Following the economic slowdown, since 2012, the diamond banks, serving the industry for decades, faced several cases of loan defaults. The ratio of non-performing loans to total assets has been on rise. These have led banks to become more conservative and selective, tighten controls and apply stringent criteria. Various banks have either reduced or curtailed their exposure to the industry. This has created

severe liquidity crunch having adverse impact on the performance, growth and profitability.

Finance is a key function at Asian Star and is being managed by strong team of experienced professionals. Liquidity has never been an issue for the Company. It has ratings/ rankings among the top in the industry assigned by CARE and Dun & Bradstreet. It enjoys sustained confidence of bankers as one of the preferred customers.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has comprehensive and commensurate internal control systems in place. The guidelines comprise of a well-defined framework covering various aspects of governance, compliance, control, audit and reporting. All systems and processes are clearly documented, regularly appraised and updated, and strictly followed. These internal control procedures ensure the following:

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

The Company has an internal as well as external audit supervised by the senior management of the Company to

ensure proper compliance. The Company is supported by a holistic MIS that ensures any deviation from set targets are immediately flagged off and corrective actions taken. All environmental norms, legal rules and statutes are adhered to without exception or compromise.

#### HUMAN RESOURCES

People are one of the key and critical success factors for the Company and it acknowledges their contribution to its success over the years. Employee satisfaction is a top priority, and the Company ensures that all its employees enjoy a safe, healthy and progressive work environment at all its manufacturing plants and offices. The Company's HR team works cohesively with the employees to help them in their personal as well as professional development. There are various training and development programmes that focuses on the skill enhancement and career progression. The Company has a well-defined Code of Conduct that guides all employees in their interaction with the various stakeholders of the Company. The Company has a unique work-culture based on team-building and bonding through cross-job training. Every employee has a deep sense of belongingness and works as a big united family sharing success and growth.

# DIRECTORS' REPORT





## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty-First Annual Report on the Business and Operations of your Company together with the Audited Statement of Accounts for the year ended March 31, 2015.

### Financial Results

(Rs. in Crore)

PARTICULARS	2014-2015	2013-2014
Total Sales	2,274.41	2,288.25
Add : Other Income	0.11	1.24
Total Income	2,275.58	2,289.49
Less : Total Expenditure	2,182.77	2,199.42
Operating Profit (PBDIT)	92.81	90.07
Less : Interest and Depreciation	37.08	31.24
Profit before Exceptional Items and Tax	55.73	58.83
Exceptional Items – Income / (Loss)	5.69	(0.13)
Provision for Tax	19.45	18.00
Provision for Deferred Tax	(1.24)	(0.04)
Profit after Tax	43.21	40.74
Add : Balance in Surplus Account Brought forward	267.96	232.03
Profit available for appropriation	<b>311.17</b>	<b>272.77</b>
<b>Appropriation</b>		
Dividend / Proposed Dividend on Equity Shares	2.40	2.40
Tax on Dividend	0.50	0.41
Transferred to General Reserve	2.00	2.00
Adjustment relating to Fixed Assets	2.07	-
Provision for Tax of Earlier Years written off	1.38	-
Balance Carried forward to Balance Sheet	302.82	267.96
	<b>311.17</b>	<b>272.77</b>

### Performance of the Company

Considering the challenging economic scenario during the year, both Overseas and in India, Company's performance was quiet satisfactory. In the difficult environment, Company has achieved sales of Rs. 2,274.41 crore, marginally lower than Rs. 2,288.25 crore of previous year. Profit after tax for the year has increased by 6.06 % to Rs. 43.21 crore.

### Dividend

Your Directors are pleased to recommend a dividend of Rs. 1.50 per equity share of Rs.10/- each for the financial year ended March 31, 2015 subject to the approval of the members on September 9, 2015. 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 2, 2015.

### Transfer to reserve

The Company proposes to transfer Rs. 2 crore to the General Reserve out of amount available for appropriations and an amount of Rs. 34.86 crore 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 2014-15, the Company has generated 179 lacs kwh resulting in the sales of Rs. 590.36 lacs.

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

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

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

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

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

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

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

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

**Details of Subsidiary Companies/Joint Ventures/Associate Companies**

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

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

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

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

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

**Deposit**

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

**Auditors**

V. A. Parikh & Associates LLP, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company received a certificate from V.A. Parikh & Associates, LLP, Chartered Accountants, to the effect that their reappointment, if made, would be in accordance with the provisions of section 141 of the Companies Act, 2013, it is proposed to reappoint them as the Auditors of the Company for the financial year 2015-2016.

**Share Capital**

The paid up capital of the Company as at March 31, 2015 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

**Listing**

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. The Company has paid listing fees for the year 2015-16.

**Extract of Annual Return**

Pursuant to Section 92 (3) of Companies Act, 2013 and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT 9 is annexed as Annexure - B.

## Energy conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

### Conservation of Energy

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

### Technology Absorption

The Directors are in constant touch with ongoing research in the world to upgrade and absorb improved technology for better line of products and to yield better quality, cost reduction and worldwide acceptability of its range of products.

### Foreign Exchange Earnings and Outgo

The Company has earned Rs. 1,62,935.59 lacs in foreign exchange by way of exports and has spent Rs. 1,47,365.03 lacs in foreign exchange, for the imports of materials & consumables, foreign travel, diamond grading charges and repairs and maintenance. The Directors are making their best endeavors to earn foreign exchange.

## Corporate Social Responsibility (CSR)

During the year, the Company introduced a CSR Policy 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 Company's website: [www.asianstargroup.com](http://www.asianstargroup.com)

As part of its initiatives under "corporate social responsibility" (CSR), the company has contributed funds for the schemes of eradicating hunger and poverty, promotion of education and medical aid. The contributions in this regard have been made to various registered trusts which are undertaking these schemes.

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

## Directors & Key Managerial Personnel

### A. Key Managerial Personnel:

Mr. Dinesh T. Shah holds the position of Chairman and CFO, 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. Arvind T. Shah and Mr. Rahil V. Shah retires by rotation at the ensuing Annual General Meeting. Accordingly Mr. Arvind T. Shah and Mr. Rahil V. Shah based on their consent and eligibility are proposed for reappointment. Their re-appointment forms a part of the Notice of the ensuing Annual General Meeting.

**Induction:** The nomination and remuneration committee recommended the induction of Mrs. Neha R. Gada as an independent member of the Board. Accordingly she was appointed on Board of the Company on March 30, 2015 with reference to section 149 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement. She holds office up to the date of the ensuing Annual General Meeting and hence we seek your support in confirming her appointment.

### C. Board Independence:

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchange and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent :-

1. Mr. Bhupendra Shroff
2. Mr. K. Mohanram Pai
3. Mr. Hasmukh Gandhi
4. Mr. Apurva Shah
5. Mr. Milind Gandhi
6. Mr. M. R. Nayak
7. Mrs. Neha Gada [Additional Director appointed w.e.f. March 30, 2015]

### 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 and Clause 49 of the Listing Agreement entered into with the Stock Exchange. In the opinion of the Board, they fulfill 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 Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, performance of the individual Directors as well as the evaluation of the working of its Committees.

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

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

### Training of independent directors

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

### Number of meetings of the Board

The Board met five times during the financial year, as held on May 22, 2014, August 11, 2014, November 14, 2014, February 10, 2015, March 30, 2015 the details of which are given in the "Report on Corporate Governance" that forms part of this Annual Report.

The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

### Committees of the Board

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

- Audit Committee
- Finance Committee
- Corporate Governance Committee
- Shareholder's 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

Your Company is committed to standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. 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 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 Companies Act, 2013 and the Listing Agreement. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholders approval under Clause 49 of the Listing Agreement.

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

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

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

### Secretarial Audit Report

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

### Risk management policy

The Company operates in conditions where economic, financial and other risks are inherent to its businesses. To overcome this and as per requirement of Clause 49 of the listing agreement, 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 have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a 'Going Concern' basis.
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively, and
- (vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Corporate Governance Report & Management Discussion and Analysis

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

As a listed company, necessary measures are taken to comply with the listing agreement of the Stock exchange. A "Report on Corporate Governance", along with a certificate of compliance from the Statutory Auditors of the Company - V. A. Parikh & Associates LLP, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and Management Discussion and Analysis Report are given separately in this report which forms a part of the Annual Report.

#### Documents placed on the website:

The following documents have been placed on the website: [www.asianstargroup.com](http://www.asianstargroup.com) in compliance with the Act:

- 1) Terms & Conditions of Appointment of Independent Directors
- 2) Familiarization Programme
- 3) Whistle Blower Policy
- 4) Policy on Related Party Transactions
- 5) Risk Management Policy
- 6) Nomination & Remuneration Policy
- 7) Corporate Social Responsibility 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 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 2014-15, 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 18, 2015

For and on behalf of the Board

#### Registered Office:

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

Dinesh T. Shah  
Chairman & CFO

Vipul P.Shah  
CEO & Managing Director

## ANNEXURE A TO DIRECTORS' REPORT

## FORM AOC - 1

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

Statement containing salient features of the financial statement of subsidiaries for the year ended 31st March, 2015.

(Rs. in Lacs)

Particulars	Name of Subsidiary Company			
	Asian Star Jewels Private Limited	Asian Star Company Limited (U.S.A.)	Asian Star Trading (Hong Kong) Limited	Asian Star DMCC
Issued & Subscribed Capital	100.00	312.95	80.24	34.11
Reserves	1,516.42	147.80	141.00	10,759.15
Total Assets	8,867.07	5,457.94	6,937.13	21,187.72
Total Liabilities	8,867.07	5,457.94	6,937.13	21,187.72
Investments	-	-	-	-
Turnover / Total Income	12,575.54	15,250.03	2,192.06	81,867.45
Profit/(Loss) Before Tax	533.14	35.90	52.18	3,359.07
Provision for Tax	106.88	2.51	6.75	-
Profit/(Loss) After Tax	426.26	33.39	45.43	3,359.07
Proposed Dividend	-	-	-	-

**ANNEXURE B TO DIRECTORS' REPORT****EXTRACT OF ANNUAL RETURN  
FORM NO. MGT 9**

As on financial year ended on 31st March 2015

[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 22047433/4
<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	Cutting & polishing of diamonds and manufacturing of diamond 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> 1	<b>Indian Subsidiary</b> Asian Star Jewels Private Limited	U36911MH2008PTC188936	Subsidiary	100%	2(87)
<b>B</b> 1	<b>Foreign Subsidiary</b> Asian Star Co. Ltd (USA)	-	Subsidiary	100%	2(87)
2	Asian Star Trading (Hongkong) Ltd.	-	Subsidiary	100%	2(87)
3	Asian Star DMCC	-	Subsidiary	100%	2(87)



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

i. Category-wise share holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	11950000	0	11950000	74.66	10800000	0	10800000	67.47	
<b>Sub-total (A)(1):</b>	<b>11950000</b>	<b>0</b>	<b>11950000</b>	<b>74.66</b>	<b>10800000</b>	<b>0</b>	<b>10800000</b>	<b>67.47</b>	
<b>(2) Foreign</b>	0	0	0	0	1150000	0	1150000	7.18	
<b>Sub-total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1150000</b>	<b>0</b>	<b>1150000</b>	<b>7.18</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	715053	0	715053	4.47	714507	0	714507	4.46	-0.01
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>715053</b>	<b>0</b>	<b>715053</b>	<b>4.47</b>	<b>714507</b>	<b>0</b>	<b>714507</b>	<b>4.46</b>	<b>-0.01</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate	2611319	0	2611319	16.31	2614665	0	2614665	16.33	0.02
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	21672	3202	24874	0.16	18630	3202	21832	0.14	-0.02
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)									
i) Clearing Member	50	0	50	0.00	299	0	299	0.00	0.00
ii) Non resident Indians	50148	0	50148	0.31	50141	0	50141	0.31	0.00
iii) OCB	655356	0	655356	4.09	655356	0	655356	4.09	0.00
<b>Sub-total (B)(2):</b>	<b>3338545</b>	<b>3202</b>	<b>3341747</b>	<b>20.88</b>	<b>3339091</b>	<b>3202</b>	<b>3342293</b>	<b>20.88</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4053598</b>	<b>3202</b>	<b>4056800</b>	<b>25.34</b>	<b>4053598</b>	<b>3202</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>16003598</b>	<b>3202</b>	<b>16006800</b>	<b>100.00</b>	<b>16003598</b>	<b>3202</b>	<b>16006800</b>	<b>100.00</b>	<b>0.00</b>

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Vipul P. Shah	4000050	24.99	0.00	4000050	24.99	0.00	0.00
2	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		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	01.04.2014	At the beginning of the year	-	-	784113	4.90
				31.03.2015	At the end of the year	-	-	784113	4.90
2	Nishant Impex Private Limited	768790	4.80	01.04.2014	At the beginning of the year	-	-	768790	4.80
				31.03.2015	At the end of the year	-	-	768790	4.80
3	United India Insurance Company Limited	715053	4.47	01.04.2014	At the beginning of the year	-	-	715053	4.47
				19.12.2014	Sell of Shares	84	0.00	714969	4.47
				31.12.2014	Sell of Shares	170	0.00	714799	4.47
				09.01.2015	Sell of Shares	49	0.00	714750	4.47
				16.01.2015	Sell of Shares	1	0.00	714749	4.47
				23.01.2015	Sell of Shares	222	0.00	714527	4.46
				06.02.2015	Sell of Shares	17	0.00	714510	4.46
				20.03.2015	Sell of Shares	3	0.00	714507	4.46
				31.03.2015	At the end of the year	-	-	714507	4.46
4	Rahil Impex Private Limited	687757	4.30	01.04.2014	At the beginning of the year	-	-	687757	4.30
				04.04.2014	Purchase of Shares	38	0.00	687795	4.30
				11.04.2014	Purchase of Shares	203	0.00	687998	4.30
				30.05.2014	Purchase of Shares	216	0.00	688214	4.30
				13.06.2014	Purchase of Shares	7	0.00	688221	4.30
				20.06.2014	Purchase of Shares	36	0.00	688257	4.30
				30.06.2014	Purchase of Shares	165	0.00	688422	4.30
				04.07.2014	Purchase of Shares	172	0.00	688594	4.30
				11.07.2014	Purchase of Shares	110	0.00	688704	4.30
				18.07.2014	Purchase of Shares	88	0.00	688792	4.30
				25.07.2014	Purchase of Shares	229	0.00	689021	4.30
				01.08.2014	Purchase of Shares	593	0.00	689614	4.31
				08.08.2014	Purchase of Shares	60	0.00	689674	4.31
				15.08.2014	Purchase of Shares	283	0.00	689957	4.31
				22.08.2014	Purchase of Shares	45	0.00	690002	4.31
				29.08.2014	Purchase of Shares	241	0.00	690243	4.31
				05.09.2014	Purchase of Shares	432	0.00	690675	4.31
				19.09.2014	Purchase of Shares	244	0.00	690919	4.32
				30.09.2014	Purchase of Shares	17	0.00	690936	4.32
				10.10.2014	Purchase of Shares	11	0.00	690947	4.32
				24.10.2014	Purchase of Shares	19	0.00	690966	4.32
				31.10.2014	Purchase of Shares	1	0.00	690967	4.32
				28.11.2014	Purchase of Shares	42	0.00	691009	4.32
				05.12.2014	Purchase of Shares	11	0.00	691020	4.32
				27.02.2015	Purchase of Shares	446	0.00	691466	4.32
				13.03.2015	Purchase of Shares	25	0.00	691491	4.32
				31.03.2015	At the end of the year	-	-	691491	4.32
5	Liston Investments Limited	605850	3.78	01.04.2014	At the beginning of the year	-	-	605850	3.78
				31.03.2015	At the end of the year	-	-	605850	3.78
6	Shloka Traders Private Limited	368898	2.30	01.04.2014	At the beginning of the year	-	-	368898	2.30
				31.03.2015	At the end of the year	-	-	368898	2.30
7	Nimesh Piyush Mehta	50000	0.31	01.04.2014	At the beginning of the year	-	-	50000	0.31
				31.03.2015	At the end of the year	-	-	50000	0.31
8	Twinkle Star Investments Limited	49506	0.31	01.04.2014	At the beginning of the year	-	-	49506	0.31
				31.03.2015	At the end of the year	-	-	49506	0.31
9	Surekha Vasantlal Shah	1500	0.01	01.04.2014	At the beginning of the year	-	-	1500	0.01
				31.03.2015	At the end of the year	-	-	1500	0.01
10	Vinod Kumar Katyal*	1125	0.00	01.04.2014	At the beginning of the year	-	-	1125	0.00
				31.03.2015	Sale of Shares	40	0.00	1085	0.00
				31.03.2015	At the end of the year	-	-	1085	0.00
11	Rukmani Devi Dalmia*	1116	0.00	01.04.2014	At the beginning of the year	-	-	1116	0.00
				31.03.2015	At the end of the year	-	-	1116	0.00

\* Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

\* Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

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 Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	4000050 0 4000050	24.99 0 24.99	4000050 0 4000050	24.99 0 24.99
2	<b>Mr. Dinesh T. Shah, Chairman &amp; CFO</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	1000050 0 1000050	6.25 0 6.25	1000050 0 1000050	6.25 0 6.25
3	<b>Mr. Dharmesh D. Shah, Director</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	1150000 0 1150000	7.18 0 7.18	1150000 0 1150000	7.18 0 7.18
4	<b>Mr. Arvind T. Shah, Executive Director</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	1584450 0 1584450	9.90 0 9.90	1584450 0 1584450	9.90 0 9.90
5	<b>Mr. Priyanshu A. Shah, Executive Director</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	1215450 0 1215450	7.59 0 7.59	1215450 0 1215450	7.59 0 7.59
6	<b>Mr. Rahil V. Shah, Executive Director</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	0 0 0	0 0 0	0 0 0	0 0 0
7	<b>Ms. Aparna R. Shinde, Company Secretary</b> At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	0 0 0	0 0 0	0 0 0	0 0 0

Independent Directors did not hold any share of the Company during financial year 2014-15

**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	75,930	5,818	-	81,748
ii.	Interest due but not paid	7	-	-	7
iii.	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>75,937</b>	<b>5,818</b>	<b>-</b>	<b>81,755</b>
	<b>Change in Indebtedness during the financial year</b>				
	• Addition	3,308	-	-	3,308
	• Reduction	-	1,137	-	1,137
	<b>Net Change</b>	<b>3,308</b>	<b>(1,137)</b>	<b>-</b>	<b>2,171</b>
	<b>Indebtedness at the end of the financial year</b>				
i.	Principal Amount	79,226	4,681	-	83,907
ii.	Interest due but not paid	19	-	-	19
iii.	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>79,245</b>	<b>4,681</b>	<b>-</b>	<b>83,926</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	112.50	112.50	67.50	30.00	322.50
	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>112.50</b>	<b>112.50</b>	<b>67.50</b>	<b>30.00</b>	<b>322.50</b>
	<b>Ceiling as per the Act</b>					<b>588.23</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	1.57	-	-	1.57
	<b>Total (1)</b>	<b>1.57</b>	<b>-</b>	<b>-</b>	<b>1.57</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>1.57</b>	<b>-</b>	<b>-</b>	<b>1.57</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>324.07</b>
	<b>Ceiling as per the Act</b>				<b>588.23</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	3.80	128.80
	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>3.80</b>	<b>128.80</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.

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

Company's CSR policy is available on: [www.asianstargroup.com](http://www.asianstargroup.com)

- (2) The Composition of the CSR Committee:

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

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

The average net profits for the last three years is - Rs. 4930.86 lacs

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

The Company is required to spend Rs. 98.61 lacs - towards CSR for the financial year 2014-15

- (5) Details of CSR spent during the financial year:

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

To be spent - Rs. 98.61 lacs

Actually spent - Rs. 106.19 lacs

- (b) Amount unspent, if any: Nil

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

Details are as under:

(Rs. in Lacs)

Sr. No.	CSR project or activity identified	Sector in which projects covered	Location where project is undertaken: State (Local Area/ District)	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: 1) Direct expenditure on projects 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agencies
1	Education, Medical	Education	Mumbai, Maharashtra	23.27		23.27	Through implementing agencies
2	Education	Education	Botswana (South Africa), India	32.78		32.78	
3	Promoting Education of differently abled	Education	Mumbai, Maharashtra	1.00		1.00	
4	Mid day meals to children	Eradicating hunger	Mumbai, Maharashtra	0.18		0.18	
5	Social Business Project	Healthcare	Palanpur, Gujarat	30.00		30.00	
6	Rashtriya Netra Yagna	Healthcare	19 States in India	12.50		12.50	
7	Malnutrition and hunger eradication	Disaster Relief	22 States in India	1.46		1.46	
8	Mobility camp for physically challenged	Promoting healthcare	Mumbai, Maharashtra	5.00		5.00	
<b>Total</b>				<b>106.19</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.

-Not Applicable

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

**Mr. Vipul P. Shah**  
CEO & Managing Director

**Mr. Arvind T. Shah**  
Chairman  
CSR Committee



## ANNEXURE D TO DIRECTORS' REPORT

## DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT &amp; REMUNERATION) RULES, 2014

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

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

The ratio of the remuneration of each director to the median remuneration of the employees who were on pay roll of the Company for the financial year 2014-15.

Name of the Executive Directors	Ratio to Median
Vipul P. Shah	46.08:1
Arvind T. Shah	46.08:1
Priyanshu A. Shah	27.65:1
Rahil V. Shah	12.29:1

- b) The percentage increase in remuneration of Chief Financial Officer is 66.67% Chief Executive Officer is 50% and Company Secretary is -34.80%
- c) The percentage increase in the median remuneration of employees in the financial year: 16.07%
- d) The number of permanent employees on the rolls of the Company: 478 Employees as on March 31, 2015.
- e) Explanation on the relationship between average increase in remuneration and the Company's performance:  
The increase in remuneration depends on performance of individual employee and overall performance of the Company
- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:  
For the financial year 2014-15, Key Managerial Personnel were paid remuneration of approximately 4.82% of Net Profit of the Company.
- g) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

Particulars	As at March 31, 2015	As at March 31, 2014	Variation
Closing rate of shares at BSE	Rs. 1253.25	Rs. 614	104%
EPS	Rs. 27	Rs. 25.45	
Market Capitalization	2006.05 Crores	982.82 Crores	104%
Price Earnings Ratio	46.42	24.13	

Comparison of share price at the time of last public offer and market price of the share of 31st March, 2015:

Market Price as on 31st March, 2015	Rs. 1253.25
Price at the time of initial public offer in 1996	75/-
% increase of Market price over the price at the time of initial public offer	1571

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

The average increase in salaries of employees other than managerial personnel in the financial year 2014-15 was 29.87% and there was 14.15% increase in the percentage of managerial remuneration for the year 2014-15.

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

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

Particulars	CEO	CFO	CS
Remuneration of KMP as % of revenue from operations	0.05	0.05	0.002
Remuneration of KMP as % of Profit before tax	2.25	2.50	0.078

- j) The key parameters for variable component of remuneration availed by the directors are as follows:

None of the Directors are entitled to any variable component of remuneration.

- k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

No employee has received remuneration in excess of the highest paid Director during the year.

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

It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

## ANNEXURE E TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

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

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015 (01-04-2014 to 31-03-2015)**

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 authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year from 1st April, 2014 to 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company and its Subsidiary Companies 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 given for the financial year from 1st April, 2014 to 31st March 2015 according to the provisions of:

- (i) The Companies Act, 1956 (the Old Act) and the rules made thereunder;
- (ii) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) 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;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the Company during the Audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);
- (vii) Other laws applicable to the Company based on representation given by the Company.

As to the subsidiary Companies, we have checked the compliances under the Companies Act, 2013 and Foreign Exchange Management Act, 1999. In the absence of the specific information, I am unable to comment on the compliances of other law(s) as may be applicable to the foreign subsidiary Companies.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the General and Board Meeting are yet to be specified under the Act of the Institute during the year under report.
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

During the financial year from 1st April, 2014 to 31st March, 2015 under review the Company has generally complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc.

**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 as is required as per applicable clauses under Listing Agreement. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decision of the Board Meetings, as represented by the Management, was taken unanimously.

**I further report** that as represented by the Company and relied upon by us 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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Yogesh D Dabholkar & Co.,  
Practicing Company Secretaries

Place: Dombivli  
Date: 18/05/2015.

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



# REPORT ON CORPORATE GOVERNANCE

## REPORT ON CORPORATE GOVERNANCE

### I. Company's Philosophy

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

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

Your Company has complied with the requirements of Corporate Governance stipulated in Clause 49 of the Listing Agreements executed with the Stock Exchanges. By all these compliance the Company has moved further in its pursuit of excellence in corporate governance.

### 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.

The Board of Directors, as on 31.03.2015 is comprised of total 13 directors. The Company has a Promoter Executive Chairman and 7 Independent Directors i.e. more than half of the total number of Directors on its Board. Composition of the Board of Directors includes 5 Executive Directors and 8 Non-Executive Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking, law and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors. The Board has agreed that Executive Directors of the Company are responsible for the day to day affairs of the Company.

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

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees 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 2014-15, the Board of Directors met 5 times (22.05.2014, 11.08.2014, 14.11.2014, 10.02.2015 and 30.03.2015) with clearly defined agenda of the meetings sent in advance with suitable notes to the Directors.

#### Category and Attendance of Directors

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

Name	Category	Board Meetings attended	Last AGM attendance	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 (DIN:00004685)	Promoter Executive Chairman	5	Yes	-	-	-
Arvind T. Shah (DIN:00004720)	Promoter Executive Director	4	Yes	-	-	-
Vipul P. Shah (DIN:00004746)	Promoter Executive Director	4	Yes	-	-	-
Priyanshu A. Shah (DIN:00004759)	Promoter Executive Director	2	No	-	-	-
Dharmesh D. Shah (DIN:00004704)	Promoter Non Executive Director	1	No	-	-	-
Rahil V. Shah (DIN:06811700)	Executive Director	2	No	-	-	-
K. Mohanram Pai (DIN:00007198)	Independent Non Executive Director	5	Yes	1	-	-
Bhupendra K. Shroff (DIN:00004596)	Independent Non Executive Director	3	Yes	2	1	-
Apurva R. Shah (DIN:00004781)	Independent Non Executive Director	5	Yes	4	5	1
Hasmukh B. Gandhi (DIN:00009153)	Independent Non Executive Director	5	Yes	3	-	-
Milind H. Gandhi (DIN:01658439)	Independent Non Executive Director	5	Yes	1	-	-
Miyar R. Nayak (DIN:03352749)	Independent Non Executive Director	4	Yes	1	-	-
Neha Rajen Gada* (DIN:01642373)	Independent Non Executive Director	1	NA	-	-	-

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

\*Inducted as "Additional Director" on March 30, 2015.

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

### 3) Code of Conduct

The Company has adopted the framed Code of Conduct for all employees, Senior Management Personnel of the Company, including the Managing Director. The Board has also approved a Code of Conduct for the Non-Executive Directors of the Company, which incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. Both the Codes are posted on the Company's website. All Board members and senior management personnel (as per Clause 49 of the Listing Agreement) 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 12th March, 2015, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Clause 49 of the Listing Agreement. 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 performance evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, performance of the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the CEO & Managing Director. Criteria for evaluation of performance of the Committees of the Board include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

#### 6) Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities in the Company etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The Familiarisation programme for Independent Directors is disclosed on the Company's website: [www.asianstargroup.com](http://www.asianstargroup.com).

### III Audit Committee

The Board of your Company has constituted a very qualified Audit Committee which promotes relationship of accountability between the Board, Management and Statutory Auditors. The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee were revised as per the requirements of Clause 49 of Listing Agreement & Section 177 of Companies Act, 2013.

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

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

During the year 2014-15, the Audit Committee met 4 times (22.05.2014, 11.08.2014, 14.11.2014, 10.02.2015) with clearly defined agenda of the meetings.

The previous Annual General Meeting of the Company was held on September 12, 2014 and Mr. Bhupendra K. Shroff, the chairman of the Audit committee attended the said meeting.

#### Internal Audit & Controls

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

### IV Nomination & Remuneration Committee\*

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

Name	Designation	Category	Committee Meetings Attendance
Hasmukh B. Gandhi	Chairman	Independent Non Executive Director	3
Bhupendra K. Shroff	Member	Independent Non Executive Director	2
Apurva R. Shah	Member	Independent Non Executive Director	3

During the year 2014-15, the Nomination & Remuneration Committee met 3 times (22.05.2014, 14.11.2014, 30.03.2015) 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.

Payment of remuneration to all the Executive Directors is recommended by the Nomination & Remuneration Committee reviewing the abilities and contribution of the individual Directors. The remuneration was revised with the approval of the shareholders in the Annual General Meeting held on September 12, 2014. Non-Executive Directors were paid sitting fees within the limits prescribed under the Act.

The details of actual payments made during the financial year 2014-15 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	112.50
Arvind T. Shah	Executive Director	112.50
Priyanshu A. Shah	Executive Director	67.50
Rahil V Shah	Executive Director	30.00

\*Nomenclature of Remuneration Committee of your Company was changed w.e.f. May 22, 2014 as Nomination & Remuneration Committee.

## V Shareholders 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) Bhupendra K. Shroff (Chairman)
- 2) Apurva R. Shah
- 3) K. Mohanram Pai
- 4) 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 and physical form.

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

## Company Secretary and Address for Correspondence

Name and Designation	Telephone No.	Email ID	Fax No.
Aparna Shinde, Company Secretary	+91 22 2204 7434	secretarial@asianstargroup.com	+91 22 2204 3747

## VI Corporate Governance Committee

The following are the committee members:

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

The Committee looks after the due compliance with the Corporate Governance norms. All Board members and the members of Senior Management Personnel have complied with the Code of Conduct for Board of Directors and Prevention of Insider Trading Code. The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of corporate governance as stipulated in clause 49 of the Listing Agreement of the BSE and the same has been annexed to Directors' Report.

## VII Finance Committee

The members of Finance Committee met 4 times (18.07.2014, 25.09.2014, 09.10.2014, 12.03.2015). This committee meets regularly to decide on matters pertaining to banking, finance, investments and working capital requirements. During the year under review the Committee was reconstituted with the appointment of Mr. Rahil V. Shah in place of Mr. Dharmesh D. Shah. The following are the committee members:

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

## VIII Corporate Social Responsibility Committee

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

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

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

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Report on CSR activities for the year 2014-15 forms a part of the Directors' Report.

#### Composition and Attendance during the year

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

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

The Committee met three times during the year, on 11 August, 2014, 14 November, 2014 and 10 February, 2015.

#### IX General Body Meetings

- i) Annual General Meeting to be held on:

Date: September 9, 2015

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 3, 2015 to September 9, 2015 (Both the days inclusive)

Dividend Date: if approved at Annual General Meeting will be paid on or after September 9, 2015

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

Year	Venue	Date	Time
2011-12	Sangam Hall, Mumbai	September 05, 2012	4.00 pm
2012-13	Sangam Hall, Mumbai	September 19, 2013	4.00 pm
2013-14	Sangam Hall, Mumbai	September 12, 2014	4.00 pm

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

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

#### X Disclosures

- i) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website.
- ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Bombay Stock Exchange Limited or SEBI or any statutory authority, on any matter related to capital markets, during the last three years? - None.
- iii) The Company has formulated a mechanism for employees to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. During the year under review, no such report was received. The Company Secretary and Audit Committee acts upon any reporting under Whistle Blower Policy.

#### 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 Clause 41 of the Listing Agreement. 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.

Keeping in view the underlying theme, the electronic copies of the Annual Report 2014-15 and Notice of 21st Annual General Meeting of the Company are sent to all members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.

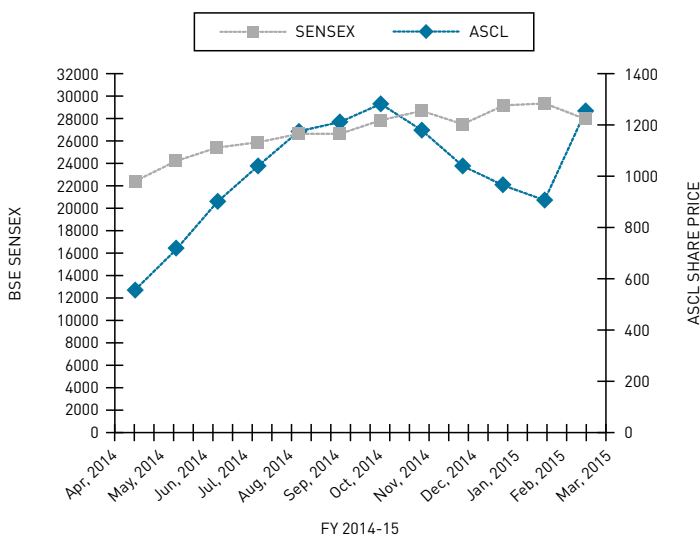
To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form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

## XIII General Shareholder Information

Sr. No.	Information	
1	Annual General Meeting - Date and Time - Venue	September 9, 2015 at 4.00 p.m. Sangam Hall, Agarwal Bhavan, 100-C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai-400 002.
2	Financial Calendar - First quarter - Second quarter/Half year - Third quarter - Audited Annual Results	(Tentative Schedule) Second week of July, 2015 Second week of October, 2015 Second week of January, 2016 Second week of May, 2016
3	Book Closure Date	September 3, 2015 to September 9, 2015 (Both days inclusive)
4	Dividend Payment Date	Dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within prescribed time, subject to deduction of tax, if any.
5	Listing on Stock Exchange at :	Bombay Stock Exchange Limited (Exchange Code: 531847) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023
6	ISIN number for NSDL & CDSL	INE194D01017
7	CIN No.	L36910MH1995PLC086017

### 8. Month wise Stock Market Data relating to equity shares of the Company

Performance of equity shares of the Company on BSE in comparison to BSE SENSEX



Closing	Sensex	ASCL
April' 14	22417.8	556.00
May' 14	24217.34	714.00
June' 14	25413.78	899.00
July' 14	25894.97	1040.00
Aug' 14	26638.11	1,175.00
Sep' 14	26630.51	1,212.00
Oct' 14	27865.83	1,282.50
Nov' 14	28693.99	1179.95
Dec' 14	27499.42	1040.00
Jan' 15	29182.95	964.00
Feb' 15	29361.5	907.00
Mar' 15	27957.49	1,253.25

**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' 14	646.00	555.00	Oct 14	1380.00	1106.00
May' 14	714.00	528.20	Nov 14	1539.00	1051.00
June' 14	899.00	650.00	Dec 14	1399.90	946.00
July' 14	1041.00	890.15	Jan 15	1086.80	880.05
Aug' 14	1402.00	940.00	Feb 15	1063.00	870.00
Sep' 14	1497.90	1085.00	Mar 15	1300.00	757.00

**9. Registrar & Share Transfer Agents:**

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Indl. Estate, Saki Vihar Road,

Saki Naka, Andheri (East), Mumbai 400 072.

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

**10. Share Transfer System:**

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

**11. Distribution of equity shareholding as on March 31, 2015:**

No. of Shares	No. of Share Holders	% of Total Share Holders	No. of Shares	% of Total Shares
1 - 500	421	93.97	14,508	0.10
501 - 1,000	8	1.79	5,436	0.03
1,001 - 2,000	3	0.67	3,701	0.02
2,001 - 3,000	-	-	-	-
3,001 - 4,000	-	-	-	-
4,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,001 & above	16	3.57	15,983,155	99.85
<b>Total</b>	<b>448</b>	<b>100.00</b>	<b>16,006,800</b>	<b>100.00</b>

**12. Categories of equity shareholding as on March 31, 2015:**

Category	No. of Folios	No. of Shares Held	% of Total Shares Held
Promoters	8	11,950,000	74.66
Body Corporates	31	2,614,665	16.33
Indian Public	388	21,832	0.14
NRI & OCB's	9	705,497	4.41
FII's	-	-	-
Clearing Member	11	299	0.001
Insurance Companies	1	714,507	4.46
<b>Total</b>	<b>448</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.

16,003,598 equity shares i.e. 99.98 % of equity shares have been dematerialized up to March 31, 2015.

**14. Manufacturing Facilities:**

**Cut & Polished Diamonds**

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

**Diamond Studded Jewellery**

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

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

**Wind Energy**

Sangli, Maharashtra,  
Dindugul and  
Coimbatore, Tamil Nadu  
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](mailto:secretarial@asianstargroup.com)  
Tel.: +91 22 2204 7434  
Fax: +91 22 2204 3747

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

As provided under Clause 49 of the listing agreement with the Bombay Stock Exchange Limited, I confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Company's Code of Conduct, as applicable to them for the Financial Year ended March 31, 2015.

**For Asian Star Company Limited**

Place : Mumbai  
Date : May 18, 2015

**Vipul P. Shah**  
CEO & Managing Director

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members**  
**Asian Star Company Limited**

We have examined the compliance of conditions of Corporate Governance by Asian Star Company Limited for the year ended March 31, 2015 stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company to ensure compliance with the condition of Corporate Governance. It is neither an audit nor an expression of an 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 fully complied with all the mandatory conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

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

Place : Mumbai  
Date : May 18, 2015

**Jinesh J. Shah**  
Partner  
Membership No. 111155



# FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

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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 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 31<sup>st</sup> March, 2015, 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, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 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 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Mumbai  
Date : May 18, 2015

**JINESH J. SHAH**  
Partner  
Membership No. 111155

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

### Re: Asian Star Company Limited

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

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b. As explained to us, all the assets have been physically verified by the Management at the end of the accounting year and no material discrepancies were noticed on physical verification as compared to the book records.
2. a. The stocks of finished goods and raw-materials have been physically verified by the management at the end of the accounting year.  
b. In our opinion, and according to the information and explanations given to us, the procedures of physical verifications of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
c. In our opinion the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification as compared to the book records.
3. a. The Company has granted loans, unconditional and interest free, to a company covered in the register maintained under Section 189 of the Act.  
b. The principal amounts are repayable on demand and there is no repayment schedule. In view of this sub clause (b) of this clause is not applicable.
4. In our opinion and according to the information and explanations given to us, the company has an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and also for sale of goods and services. During the course of our audit, no major weaknesses were noticed in the internal control system.
5. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
6. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a. According to the records of the Company and as per information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with appropriate authorities and there were no undisputed dues outstanding as on 31<sup>st</sup> March, 2015 for a period of more than six months from the date they become payable.  
b. Details of dues which have not been deposited as at March 31, 2015 on account of disputes are given below:

Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount (in Lacs)
Service Tax	May'06 to September'12	Assistant Commissioner of Service Tax	446.43
Custom Duty	December'09 to September'13	Directorate of Revenue Intelligence	163.46

- c. The amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 [1 of 1956] and rules made there under have been transferred to such fund within time.
8. The Company neither has any accumulated losses at the end of the financial year nor it has incurred any cash loss during the financial year or immediately preceding financial year.

9. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to any Financial Institution or Bank.
10. In our opinion and according to the information and explanations given to us, the guarantee given by the Company in respect of loans taken by others from bank, the terms and conditions thereof is not prejudicial to the interest of the Company.
11. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not obtained any term loans.
12. In our opinion and according to the information and explanations given to us no fraud on or by the Company has been reported during the year.

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

Place : Mumbai  
Date : May 18, 2015

**JINESH J. SHAH**  
Partner  
Membership No. 111155

# ASIAN STAR COMPANY LIMITED

## BALANCE SHEET AS AT MARCH 31, 2015

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,600.68	50,130.37	1,600.68	46,445.08
Reserves and Surplus	2	48,529.69		44,844.40	
Non-Current Liabilities					
Long-Term Borrowings	3	4,680.80	11,613.69	5,818.05	14,541.32
Deferred Tax Liabilities (Net)	4	2,223.81		2,459.52	
Long-Term Provisions	5	4,709.08		6,263.75	
Current Liabilities					
Short-Term Borrowings	6	79,226.27	1,04,231.66	75,930.30	86,992.22
Trade Payables	7	19,914.72		8,537.76	
Other Current Liabilities	8	2,854.73		435.65	
Short-Term Provisions	9	2,235.94		2,088.51	
TOTAL			1,65,975.72		1,47,978.62
ASSETS					
Non-Current Assets					
Fixed Assets			24,903.04		26,657.47
Tangible Assets	10	15,978.59		16,775.45	
Capital Work-In-Progress		2,691.26		1,686.56	
		18,669.85		18,462.01	
Non-Current Investments	11	348.16		348.16	
Long-Term Loans and Advances	12	1,251.76		1,484.51	
Other Non-Current Assets	13	4,633.27		6,362.79	
Current Assets					
Current Investments	14	129.48	1,41,072.68	129.48	1,21,321.15
Inventories	15	54,634.15		38,263.63	
Trade Receivables	16	68,291.09		64,574.15	
Cash and Bank Balances	17	14,552.97		14,722.07	
Short-Term Loans and Advances	18	3,464.99		3,631.82	
TOTAL			1,65,975.72		1,47,978.62
Significant Accounting Policies					
Notes on Financial Statements	1 to 45				

As per our report of even date

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

For and on behalf of the Board

**JINESH J. SHAH**  
Partner  
Membership No. 111155

Place : Mumbai  
Dated : May 18, 2015

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 18, 2015

**DINESH T. SHAH**  
Chairman & CFO

Place : Mumbai  
Dated : May 18, 2015

**VIPUL P. SHAH**  
CEO & Managing Director

Place : Mumbai  
Dated : May 18, 2015

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Rs. in Lacs)

PARTICULARS	NOTE	2014-2015		2013-2014	
Revenue From Operations	19	2,27,440.76		2,28,824.81	
Other Income	20	10.63		123.75	
<b>Total Revenue</b>			<b>2,27,451.39</b>		<b>2,28,948.56</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	21	1,87,257.36		1,84,579.97	
Purchases of Stock-In-Trade		21,095.77		891.92	
Changes in Inventories of					
Work-In-Progress & Finished Goods	22	(18,686.28)		9,591.81	
Employee Benefits Expense	23	3,596.26		2,768.36	
Finance Costs	24	2,225.80		2,244.14	
Depreciation and Amortization Expense		1,482.40		880.33	
Other Expenses	25	24,906.73		22,109.64	
<b>Total Expenses</b>			<b>2,21,878.04</b>		<b>2,23,066.17</b>
<b>Profit Before Exceptional Items &amp; Tax</b>			<b>5,573.35</b>		<b>5,882.39</b>
Exceptional Items Income/(Loss)	26		568.98		(12.45)
<b>Profit Before Tax</b>			<b>6,142.33</b>		<b>5,869.94</b>
Tax expense					
Current Tax			1,945.60		1,800.03
Deferred Tax			(124.35)		(4.41)
<b>Profit After Tax</b>			<b>4,321.08</b>		<b>4,074.32</b>
Earnings Per Equity Share:					
Basic and Diluted (In Rs.)			27.00		25.45
Significant Accounting Policies					
Notes on Financial Statements	1 to 45				

As per our report of even date

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

For and on behalf of the Board

**JINESH J. SHAH**  
Partner  
Membership No. 111155

Place : Mumbai  
Dated : May 18, 2015

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 18, 2015

**DINESH T. SHAH**  
Chairman & CFO

Place : Mumbai  
Dated : May 18, 2015

**VIPUL P. SHAH**  
CEO & Managing Director

Place : Mumbai  
Dated : May 18, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	6,142.33	5,869.94
Adjustment for		
Depreciation	1,482.40	880.33
Finance Costs	2,225.80	2,244.14
Unrealised Foreign Exchange (Gain) / Loss	242.28	431.20
Dividend Received	(0.02)	(5.43)
(Profit)/Loss on Sale of Fixed Assets	(568.98)	12.45
(Profit)/Loss on Sale of Investments	-	(104.99)
Wealth Tax	3.78	1.15
Operating Profit Before Working Capital Changes	9,527.59	9,328.79
Adjustment for		
Receivables	(3,235.11)	(4,434.24)
Inventories	(16,370.50)	13,225.27
Loans & Advances	4,031.35	950.41
Current Liabilities	10,184.28	(11,978.22)
Cash Generated from / (used in) Operations	4,137.61	7,092.01
Taxation	(1,906.04)	(2,012.09)
Net Cash from / (used in) Operating Activities	2,231.57	5,079.92
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Includes Capital Work in Progress)	(2,148.22)	(2,822.00)
Sale of Fixed Assets	708.47	116.87
Purchase / Increase of Investments	-	(3.26)
Dividend Received	0.02	5.43
Sale/Decrease of Investments	-	369.18
Net Cash from / (used in) Investing Activities	(1,439.73)	(2,333.78)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings	(1,137.26)	1,631.01
Short Term Borrowings	2,683.03	1,573.72
Finance Costs	(2,225.80)	(2,244.14)
Dividend Paid	(240.10)	(240.10)
Tax on Dividend	(40.81)	(40.81)
Net Cash from / (used in) Financing Activities	(960.94)	679.68
Net Increase / (Decrease) in Cash & Cash Equivalents	(169.10)	3,425.82
Cash & Cash Equivalents as at 1st April (Opening)	14,722.07	11,296.25
Cash & Cash Equivalents as at 31st March (Closing)	14,552.97	14,722.07

As per our report of even date

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

For and on behalf of the Board

**JINESH J. SHAH**  
Partner  
Membership No. 111155

Place : Mumbai  
Dated : May 18, 2015

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 18, 2015

**DINESH T. SHAH**  
Chairman & CFO

Place : Mumbai  
Dated : May 18, 2015

**VIPUL P. SHAH**  
CEO & Managing Director

Place : Mumbai  
Dated : May 18, 2015



## SIGNIFICANT ACCOUNTING POLICIES

### A. Basis for Preparation of Financial Statements

The financial statements have been prepared using mercantile system of accounting under the historical cost convention. It recognises significant items of income and expenditure on accrual basis. The accounts have been prepared to comply in all material aspects with applicable accounting principles in India and the provisions of the Companies Act, 2013.

### B. Sales

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

### C. Other Income

#### Interest

Interest income is recognised on accrual basis.

#### Income from Investments

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

### D. Depreciation

Depreciation on Fixed Assets is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 on straight line basis.

### E. Impairment of Assets

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

### F. Foreign Currency Transactions

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

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

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

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

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

### G. Fixed Assets

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

### H. Capital Work in Progress

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

**I. Borrowing Costs**

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

**J. Investments**

J.1 Long term investments are valued at cost. Provision for diminution in value is made only if such diminution is otherwise than temporary in the opinion of the management.

J.2 Current Investments - Quoted are valued at cost or market value, whichever is lower.

**K. Inventories**

K.1 Stock of raw materials is stated at weighted average cost or net realizable value whichever is lower. Stock of polished diamonds (for jewellery operations) is valued at technically evaluated cost or net realizable value whichever is lower. Specific items of cost are allocated and assigned to inventory wherever practicable.

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

K.3 Consumables are valued at cost.

**L. Employee Benefits****L1. Short Term Employees Benefit**

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

**L2. Long Term Employee Benefit**

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

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

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

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

**M. Taxation**

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

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

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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 1. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Authorised</b>		
2,50,00,000 ( 2,50,00,000 ) Equity Shares of Rs.10 each	2,500.00	2,500.00
4,00,00,000 ( 4,00,00,000 ) Redeemable Cumulative Preference Shares of Rs.10 each	4,000.00	4,000.00
	<b>6,500.00</b>	<b>6,500.00</b>
<b>Issued, Subscribed and Paid-up</b>		
1,60,06,800 ( 1,60,06,800 ) Equity Shares of Rs. 10 each	1,600.68	1,600.68
<b>Total</b>	<b>1,600.68</b>	<b>1,600.68</b>

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

NAME OF THE SHAREHOLDERS	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vipul Prabodh Shah	40,00,050	24.99	40,00,050	24.99
Nirmala Dinesh Shah	18,00,000	11.25	18,00,000	11.25
Arvind Tarachand Shah	15,84,450	9.90	15,84,450	9.90
Priyanshu Arvind Shah	12,15,450	7.59	12,15,450	7.59
Rasila Arvind Shah	12,00,000	7.50	12,00,000	7.50
Dharmesh Dinesh Shah	11,50,000	7.18	11,50,000	7.18
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
<b>Total</b>	<b>1,19,50,000</b>	<b>74.66</b>	<b>1,19,50,000</b>	<b>74.66</b>

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

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Equity shares at the beginning of the year	1,60,06,800	1,60,06,800
Equity shares at the end of the year	1,60,06,800	1,60,06,800

**2. RESERVES & SURPLUS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
<b>Capital Reserves</b>				
As per Last Balance Sheet		298.16		298.16
<b>Capital Redemption Reserve</b>				
As per Last Balance Sheet		1,986.44		1,986.44
<b>General Reserves</b>				
As per Last Balance Sheet	15,763.68		15,563.68	
Add : Transfer from Profit and Loss Statement	200.00		200.00	
		15,963.68		15,763.68
<b>Surplus Account</b>				
As per last Balance Sheet	26,796.12		23,202.71	
Add: Profit for the Year	4,321.08		4,074.32	
	31,117.20		27,277.03	
Less: Appropriations				
Transferred to General Reserve	200.00		200.00	
Proposed Dividend on Equity Shares (Dividend per Share Rs.1.50/-)	240.10		240.10	
(Previous Year Dividend per Share Rs.1.50/-)				
Tax on Dividend Proposed	50.24		40.81	
Adjustment relating to Fixed Assets	207.13		-	
Provision for Tax of Earlier Years written off	138.32		-	
	835.79		480.91	
		30,281.41		26,796.12
<b>Total</b>		<b>48,529.69</b>		<b>44,844.40</b>

**3. LONG TERM BORROWINGS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Unsecured Loans</b>		
Loan from Related Party- Directors	4,680.80	5,818.05
<b>Total</b>	<b>4,680.80</b>	<b>5,818.05</b>

**4. DEFERRED TAX LIABILITY**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Deferred Tax Liability on account of :</b>		
Depreciation	2,403.59	2,533.02
Less: Deferred Tax Asset written back on account of change in estimated useful life of Assets	111.36	-
(A)	2,292.23	2,533.02
<b>Deferred Tax Asset on account of :</b>		
Provision for Diminution in market value of Current Investments	-	0.99
Provision for Doubtful Debts	8.50	7.77
Gratuity Liability	59.92	64.74
(B)	68.42	73.50
<b>Deferred Tax Liability - Net</b>	<b>2,223.81</b>	<b>2,459.52</b>
(A-B)		

## 5. LONG TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	181.75	195.91
<b>Others</b>		
Taxation	4,527.33	6,067.84
<b>Total</b>	<b>4,709.08</b>	<b>6,263.75</b>

## 6. SHORT TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Secured Loans</b>		
Working Capital Loan from Banks	79,226.27	75,930.30
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Mortgage of Premises at Mumbai		
d. Guaranteed by some of the Directors in their Personal Capacity		
<b>Total</b>	<b>79,226.27</b>	<b>75,930.30</b>

## 7. TRADE PAYABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Creditors for Goods	19,063.67	6,755.07
Creditors for Processing	851.05	1,782.69
<b>Total</b>	<b>19,914.72</b>	<b>8,537.76</b>

## 8. OTHER CURRENT LIABILITIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Other Payables *	2,854.49	435.41
Unclaimed Dividend	0.24	0.24
<b>Total</b>	<b>2,854.73</b>	<b>435.65</b>

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

## 9. SHORT TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Employee Benefits</b>		
Leave Encashment (unfunded)	-	7.57
<b>Others</b>		
Proposed Dividend	240.10	240.10
Tax On Dividend	50.24	40.81
Provision for Taxation	1,945.60	1,800.03
<b>Total</b>	<b>2,235.94</b>	<b>2,088.51</b>

## 10. FIXED ASSETS

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)				DEPRECIATION					NET BLOCK	
	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At April 1, 2014	For The Year	Adjustments upon adoption of Schedule II	Deductions	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
<b>Tangible Assets</b>											
Land	774.81	-	-	774.81	-	-	-	-	-	774.81	774.81
Office Premises	2,922.22	-	164.69	2,757.53	373.21	26.83	-	33.60	366.44	2,391.09	2,549.01
Factory Premises	2,232.86	76.03	-	2,308.89	279.05	86.34	-	-	365.39	1,943.50	1,953.81
Plant & Machinery	12,591.77	754.62	-	13,346.39	3,549.77	845.88	9.06	-	4,404.71	8,941.68	9,042.00
Vehicles	606.19	-	39.75	566.44	197.80	93.01	9.31	36.69	263.43	303.01	408.39
Furniture & Fixtures	996.46	44.21	-	1,040.67	328.04	123.59	46.00	-	497.63	543.04	668.42
Office Equipments	1,701.00	204.19	6.00	1,899.19	453.81	226.06	250.89	0.66	930.10	969.09	1,247.19
Computer	484.86	64.47	-	549.33	353.04	80.69	3.23	-	436.96	112.37	131.82
CURRENT YEAR	22,310.17	1,143.52	210.44	23,243.25	5,534.72	1,482.40	318.49	70.95	7,264.66	15,978.59	16,775.45
PREVIOUS YEAR	19,671.78	2,863.54	225.15	22,310.17	4,750.22	880.33	-	95.83	5,534.72	16,775.45	14,921.54

## 11. NON-CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>A. Trade Investments</b>	-	-
<b>B. Other Investments - Long Term</b>		
Unquoted, fully paid up		
In Equity Shares of Subsidiary Companies		
Wholly owned subsidiary- Asian Star Co.Ltd., USA 5 (5) Shares of US\$ 1,00,000 each	178.75	178.75
Wholly owned subsidiary - Asian Star DMCC 200 (200) Shares of AED 1,000 each	12.01	12.01
Wholly owned subsidiary- Asian Star Jewels Pvt Ltd 10,00,000 (10,00,000) Shares of Rs. 10 each	100.00	100.00
Wholly owned subsidiary- Asian Star Trading (Hongkong) Ltd 10,000 (10,000) Shares of HK\$ 100 each	57.40	57.40
<b>Total</b>	<b>348.16</b>	<b>348.16</b>

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

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Capital Advances	445.26	460.00
Security Deposits	241.09	234.10
Loans and advances to related parties (Loan to Subsidiary Company)	565.41	790.41
<b>Total</b>	<b>1,251.76</b>	<b>1,484.51</b>

## 13. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Advance Tax	4,596.30	6,318.22
Deposits With Others	36.97	44.57
<b>Total</b>	<b>4,633.27</b>	<b>6,362.79</b>

## 14. CURRENT INVESTMENTS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Investments in Equity</b>		
Quoted, fully paid up		
Classic Diamond (India) Ltd. 5,000 (5,000) Shares of Rs. 2 each	4.69	4.69
Flawless Diamond (India) Ltd. 100 (100) Shares of Re. 1 each	0.01	0.01
Gitanjali Gems Ltd. 1,000 (1,000) Shares of Rs. 10 each	2.20	2.20
Golddiam International Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.97	0.97
Golkunda Diamonds & Jewellery Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Parekh Platinum Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Rajesh Exports Ltd. 600 (600) Shares of Re. 1 each	0.52	0.52
S.B. & T International Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shantivijay Jewels Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shrenuj & Co Ltd. 2,000 (1,000) Shares of Rs. 2 each	0.45	0.45
Windsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.56	0.56
Vaibhav Global Ltd. 10 (10) Shares of Rs. 10 each	0.03	0.03
Zodiac JRD MKJ Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Tribhovandas Bhimji Zaveri Ltd. 1,00,000 (1,00,000) Shares of Rs. 10 each	120.00	120.00
	129.48	129.48
Less:- Adjustment to carrying amount of Investments	-	-
	<b>129.48</b>	<b>129.48</b>
Aggregate amount of quoted investments	129.48	129.48
Market Value of quoted investments	149.43	133.52
Basis of Valuation - at cost or market value whichever is lower		



## 15. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Raw Materials	18,079.75	20,395.23
Work In Progress	2,060.56	2,480.73
Finished Goods	34,469.46	15,363.01
Consumables	24.38	24.66
(As verified, valued and certified by a Director)		
<b>Total</b>	<b>54,634.15</b>	<b>38,263.63</b>

## 16. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015		AS AT March 31, 2014	
<b>Unsecured</b>				
Over six months from due date				
Considered Good	987.72		333.62	
Considered Doubtful	49.71		-	
	1,037.43		333.62	
Less: Provision for Doubtful Debts	49.71		-	
		987.72		333.62
Others				
Considered Good		67,303.37		64,240.53
<b>Total</b>		<b>68,291.09</b>		<b>64,574.15</b>

## 17. CASH AND BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Balances with Banks	4,036.22	5,001.39
Cheques / Demand Draft in Hand	-	600.00
Fixed Deposits with Banks	10,462.78	9,094.37
Cash on hand	53.97	26.31
<b>Total</b>	<b>14,552.97</b>	<b>14,722.07</b>

Balance with banks include unclaimed dividend of Rs.0.24 Lacs (For F.Y. 2013-14 it was Rs.0.24 Lacs) & unclaimed fractional entitlement Rs. 0.17 Lacs (For F.Y. 2013-14 it was Rs. 0.17 Lacs).

Fixed Deposits with banks include deposits of Rs. 746.70 Lacs (For F.Y. 2013-14 it was Rs. 1,135.90 Lacs) with maturity of more than 12 months.

Fixed Deposits with banks includes deposits of Rs.573.75 Lacs (For F.Y. 2013-14 it was Rs.529.05 Lacs) kept under lien with the bank as security for bank facilities obtained by a subsidiary company.

**18. SHORT-TERM LOANS AND ADVANCES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Advance Tax	1,980.57	1,852.15
<b>Loans &amp; Advances Others *</b>		
Unsecured, considered good	1,484.42	1,779.67
<b>Total</b>	<b>3,464.99</b>	<b>3,631.82</b>

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

**19. REVENUE FROM OPERATIONS**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Sale of Products	2,27,094.38	2,28,778.56
Sale of Services	346.38	46.25
<b>Total</b>	<b>2,27,440.76</b>	<b>2,28,824.81</b>

**19.1 PARTICULARS OF SALE OF PRODUCTS**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Diamond	1,92,363.29	1,92,236.59
Jewellery	34,140.73	35,908.77
Power- Windmill	590.36	633.20
<b>Total</b>	<b>2,27,094.38</b>	<b>2,28,778.56</b>

**20. OTHER INCOME**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Dividend Income	0.02	5.43
Miscellaneous Receipts	10.61	13.33
Net gain/(loss) on Sale of Investments	-	104.99
<b>Total</b>	<b>10.63</b>	<b>123.75</b>

**21. COST OF MATERIALS CONSUMED**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Stock at the Commencement	20,395.23	24,039.66
Purchases during the year	1,84,941.88	1,80,935.54
	2,05,337.11	2,04,975.20
Less : Stock at the Close	18,079.75	20,395.23
<b>Total</b>	<b>1,87,257.36</b>	<b>1,84,579.97</b>

## 21.1 COST OF MATERIALS CONSUMED

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Rough Diamonds	1,71,945.90	1,67,441.95
Others	15,311.46	17,138.02
<b>Total</b>	<b>1,87,257.36</b>	<b>1,84,579.97</b>

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

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Variation in Stock of Work-In-Progress		
Stock at the Commencement	2,480.73	1,843.08
Less: Stock at the Close	2,060.56	2,480.73
<b>A</b>	<b>420.17</b>	<b>[637.65]</b>
Variation in Stock of Finished Goods		
Stock at the Commencement	15,363.01	25,592.47
Less: Stock at the Close	34,469.46	15,363.01
<b>B</b>	<b>[19,106.45]</b>	<b>10,229.46</b>
<b>Total</b>	<b>[18,686.28]</b>	<b>9,591.81</b>

## 23. EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Salary & Bonus	2,265.09	1,852.73
Director's Remuneration	447.50	279.25
Wages	490.84	353.94
Gratuity	70.54	57.74
Ex Gratia & Leave Encashment	68.81	60.52
Labour Welfare Fund Expenses	0.61	0.61
Contribution to Provident Fund	153.19	91.57
Insurance	55.83	28.88
Contribution to E.S.I.C.	29.25	30.36
Staff Welfare Expenses	14.60	12.76
<b>Total</b>	<b>3,596.26</b>	<b>2,768.36</b>

## 24. FINANCE COSTS

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Interest Expense	1,847.07	2,001.25
Other Borrowing Costs	374.22	229.14
Other Interest*	4.51	13.75
<b>Total</b>	<b>2,225.80</b>	<b>2,244.14</b>

\*Includes interest on late payment of Service Tax.

## 25. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2014-2015		2013-2014	
<b>Manufacturing Expenses</b>				
Processing Expenses	20,286.15		18,314.03	
Electricity, Power & Fuel	390.94		369.86	
Consumables	306.03		235.89	
Factory Expenses	42.83		44.36	
		21,025.95		18,964.14
<b>Administrative / Selling &amp; Distribution Expenses</b>				
Bank Commission & Charges	215.66		189.03	
Electrical Charges	145.64		120.55	
Telephone, Internet and Fax Charges	83.48		72.09	
Local Travelling and Conveyance	56.89		52.77	
Legal & Professional fees	126.21		101.65	
Audit Fees	5.06		5.06	
Printing & Stationery	38.62		38.74	
Repairs & Maintenance (Other)	95.99		88.97	
Repairs & Maintenance (Building)	15.75		2.75	
Repairs & Maintenance (Plant & Machinery)	141.79		191.03	
Repairs & Maintenance (Windmill)	187.07		180.26	
Postage and Courier	64.22		58.29	
Rates & Taxes	32.03		56.34	
Motor Car Expenses	55.09		50.44	
Provision for Doubtful Debts	49.71		-	
Bad Debts	11.06		-	
Insurance Premium	215.28		203.30	
Rent & Compensation	153.95		154.62	
Donation	118.04		88.61	
Office Canteen Expenses	75.01		99.57	
Office Expenses	15.27		13.67	
Director's Sitting Fees	1.73		1.83	
Sundry Expenses	109.58		67.92	
Security Charges	56.98		63.55	
Registration & Filing Charges	65.63		1.94	
Wealth Tax	3.78		1.15	
Membership and Subscription	12.53		11.22	
Advertisement	83.92		53.11	
Sales Expenses	82.46		79.17	
Entertainment Expenses	123.52		31.87	
Foreign Travelling	165.40		151.62	
Commission on Sales	196.75		207.69	
Re-Assortment Charges	28.26		28.96	
Freight & Clearing Charges	170.83		175.88	
Agency Charges	15.81		17.10	
E.C.G.C. Premium	166.37		150.71	
Diamond Grading Charges	658.96		306.42	
Packing Expenses	36.45		27.62	
		3,880.78		3,145.50
<b>Total</b>		<b>24,906.73</b>		<b>22,109.64</b>

**26. EXCEPTIONAL ITEMS INCOME / (LOSS)**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Net gain/(loss) on sale of Fixed Assets	568.98	(12.45)
<b>Total</b>	<b>568.98</b>	<b>(12.45)</b>

27. Surplus / (Deficit) on account of exchange difference on outstanding forward exchange contracts to be recognized in profit and loss statement of subsequent accounting period aggregate to Rs. 8.75 crores (For F.Y. 2013-14 it was Rs 10.22 crores).

**28. Derivatives Instruments:**

- a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2015.
  - i) For hedging currency related risk:  
Forward / option contracts (net) for Sales entered into by the Company and outstanding as on 31st March, 2015 amount to Rs. 856.80 crores (For F.Y. 2013-14 forward / option contracts (net) for Sales was Rs. 1,610.21 crores).
  - ii) For hedging commodity related risk:  
Forward contracts for sale of Gold and Silver entered into by the Company and outstanding as on 31st March, 2015 covers 42 kgs and 210 kgs respectively. (For F.Y. 2013-14 it was 5 kgs and 270 kgs respectively).
- b) Foreign currency exposure (net liability) that is not hedged by the derivative instruments as on 31st March, 2015, amount to Rs. 370.18 crores. (For F.Y. 2013-14 it was Rs. 296.07 crores).

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

(Rs. in Lacs)

Sr. No.	PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

30. a) The Company has given guarantee of Rs. 205.74 crores (For F.Y. 2013-14 it was Rs. 150.43 crores) to Banks for facilities availed by its subsidiary companies.
- b) The Company has disputed income tax liability of Rs. Nil (For F.Y. 2013-14 it was Rs. 0.54 crores).
- c) The Company has disputed service tax liability of Rs. 4.46 crores (For F.Y. 2013-14 it was Rs. 4.46 crores).
- d) The Company has disputed liability of Rs. 1.63 crores (For F.Y. 2013-14 it was Rs. Nil) in respect of Customs duty raised by Directorate of Revenue Intelligence.

The Company is of the opinion that the demand raised by Service Tax Department & Directorate of Revenue Intelligence is not tenable and has made appropriate submission to the departments. The same shall be charged to profit & loss statement, if required, on disposal of the matter.

**31. Related Party Disclosure for the year ended 31st March, 2015****(i) List of Related Parties and relationships:**

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

ii) Transactions during the year with Related Parties:

(Rs. in Lacs)

PARTICULARS	NAME OF THE PARTY	VOLUME	AMOUNT OUTSTANDING AS ON 31.03.2015
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	11,204.59	3,825.63
	Asian Star Jewels Pvt. Ltd.	6,021.77	2,847.33
	Jewel Art (Unit-II)	126.57	126.57
Investment in Subsidiary	Asian Star Co. Ltd. - (U.S.A.)	Nil	178.75
	Asian Star Trading (Hong Kong) Ltd.	Nil	57.40
	Asian Star DMCC	Nil	12.01
	Asian Star Jewels Pvt. Ltd.	Nil	100.00
Loan Repaid by Subsidiary	Asian Star Jewels Pvt. Ltd.	225.00	565.41
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	5.50	Nil
Sale of Colour Stone	Asian Star Jewels Pvt. Ltd.	26.13	Nil
Directors' Remuneration	Dinesh T. Shah	125.00	Nil
	Arvind T. Shah	112.50	Nil
	Vipul P. Shah	112.50	Nil
	Priyanshu A. Shah	67.50	Nil
	Rahil V. Shah	30.00	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil
	Arvind T. Shah	0.96	Nil
	Dharmesh D. Shah	0.72	Nil
	Vipul P. Shah	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30.00
	Arvind T. Shah	Nil	30.00
	Dharmesh D. Shah	Nil	20.00
	Vipul P. Shah	Nil	30.00
Unsecured Loans Taken / (Repaid) -(Net)	Dinesh T. Shah	173.00	438.00
	Arvind T. Shah	34.75	65.80
	Dharmesh D. Shah	(480.00)	933.00
	Vipul P. Shah	(475.00)	2,650.00
	Priyanshu A. Shah	(390.00)	594.00
Contract for Processing of Diamonds	Shah Manufacturers	3,329.10	(43.34)
Sale of Jewellery	Sujata V. Shah	86.02	Nil
	Sweta D. Shah	1.61	Nil
	Vimla P. Shah	0.82	Nil
	Vipul P. Shah	72.63	Nil

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

a) Defined Contribution Plan

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

(Rs. in Lacs)

PARTICULARS	AMOUNT
Employers Contribution to Provident Fund & Family Pension Fund	153.19
Employers Contribution to Employees State Insurance Scheme	29.25
Employers Contribution to Labour Welfare Fund	0.61

**b) Defined Benefit Plan:**

Defined benefits plan as per actuarial valuation as on 31st March, 2015 and recognized in the financial statement in respect of Employee Benefits Scheme:

(Rs. in Lacs)

Disclosure under AS 15 (Revised) Employee Benefits	Gratuity (Funded)
<b>I) Change in defined benefits obligation as at 31st March, 2015</b>	
a) Present value of the obligation as at beginning of the year	508.78
b) Current Service Cost	47.91
c) Interest Cost	47.37
d) Benefit Paid	(41.22)
e) Actuarial (gain)/loss on obligation	4.03
f) Present value of obligation as at end of the year	566.87
<b>II) Change in fair value of Plan Assets</b>	
a) Present value of the Plan Assets at the beginning of the year	312.87
b) Expected return on Plan Assets	27.22
c) Contribution	84.70
d) Benefit Paid	(41.22)
e) Actuarial gain/(loss) on Plan Assets	1.55
f) Present value of Plan Assets at the end of the year	385.12
g) Actual return on Plan Assets	28.77
<b>III) Component of Employee Cost recognized in Profit &amp; Loss Statement</b>	
a) Interest Cost	47.37
b) Current Service Cost	47.91
c) Expected return on Plan Assets	(27.22)
d) Actuarial (gain) / loss	2.48
e) Expenses recognized in Profit & Loss statement	70.54
<b>IV) Reconciliation of Present value of obligation and fair value of Plan assets</b>	
a) Present value of obligation at the end of the year	566.87
b) Fair Value of Plan Assets at the end of the year	385.12
c) Difference	(181.75)
d) Amount Recognized in the Balance Sheet	(181.75)
<b>V) Actuarial Assumptions</b>	<b>[%]</b>
a) Discount Rate	7.96%
b) Expected rate of return on Assets	7.96%
c) Future salary escalation	3.00%
d) Attrition rate	2.00%



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

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
<b>1. Segment – Revenue</b>		
Diamond	2,08,072.76	2,06,491.41
Jewellery	34,487.11	35,955.02
Others	601.00	756.96
<b>Total</b>	<b>2,43,160.86</b>	<b>2,43,203.38</b>
Less: Inter Segment Revenue / Transfer	15,709.46	14,254.82
<b>Net Sales / Revenue</b>	<b>2,27,451.40</b>	<b>2,28,948.57</b>
<b>2. Segment Results</b>		
Profit/(Loss) before Tax and Interest from each segment		
Diamond	6,707.21	6,559.17
Jewellery	993.22	1,368.17
Others	98.72	199.20
<b>Total</b>	<b>7,799.15</b>	<b>8,126.54</b>
Less:		
Finance Costs	2,225.80	2,244.14
Exceptional Item (Gain) / Loss	(568.98)	12.45
Other un – allocable expenses	-	-
<b>Total Profit Before Tax</b>	<b>6,142.33</b>	<b>5,869.94</b>
<b>3. Capital Employed</b>		
Diamond	38,483.52	35,209.25
Jewellery	6,903.74	6,016.16
Other	4,743.11	5,219.67
Unallocated Net Assets	-	-
<b>Total Capital Employed</b>	<b>50,130.37</b>	<b>46,445.08</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.

**SECONDARY SEGMENT**

Details as per Geographic Region

(Rs. in Lacs)

REGION	REGION WISE SALES & SERVICES	DIRECT SEGMENT ASSETS (DEBTORS)
<b>1. Exports</b>		
Asia	99,580.26	36,200.35
USA	20,568.01	9,310.16
Europe	26,610.70	5,187.99
Others	2,840.99	276.39
<b>2. Local</b>	77,840.80	17,316.20
<b>Total</b>	<b>2,27,440.76</b>	<b>68,291.09</b>

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

**34. EARNING PER SHARE**

PARTICULARS	2014-2015	2013-2014
Profit After Tax (Rs. in Lacs)	4,321.08	4,074.32
Number of Equity Shares	1,60,06,800	1,60,06,800
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share (Basic) (Rs.)	27.00	25.45

**35. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

- a) Gross amount required to be spent during the year : Rs. 98.62 Lacs.  
 b) Amount spent during the year :

(Rs. in Lacs)

SR. NO.	PARTICULARS	IN CASH	YET TO BE PAID IN CASH	TOTAL
(i)	Construction / acquisition of any asset	NIL	NIL	NIL
(ii)	On purposes other than above	106.19	NIL	106.19

- 36.** Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortized carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives has expired as at 1st April, 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Statement amounting to Rs. 207.13 Lacs.

(Rs. in Lacs)

SR. NO.	PARTICULARS	2014-2015	2013-2014
<b>37</b>	Value of imported and indigenous consumption – Raw Material		
	• Imported Raw material	1,33,476.15 71.28%	1,26,230.30 68.39%
	• Indigenous Raw material	53,781.22 28.72%	58,349.67 31.61%
	<b>Total</b>	<b>1,87,257.37</b>	<b>1,84,579.97</b>
<b>38</b>	Interest Charged to Profit & Loss Statement is net of Interest received	901.39	764.80
<b>39</b>	Value of Import on CIF Basis - Raw Materials	1,47,247.07	1,14,535.50
<b>40</b>	Expenditure in Foreign Currency		
	Foreign Traveling	15.96	9.37
	Consumables	Nil	5.34
	Repairs & Maintenance	18.14	81.83
	Advertisement	7.74	7.24
	Manufacturing Expenses	37.25	Nil
	Donation	32.78	Nil
	Membership & Subscription	6.10	Nil
<b>41</b>	Earning in Foreign Exchange		
	FOB value of Exports	1,62,935.59	1,64,203.43
<b>42</b>	Gain/(Loss) on Exchange Fluctuation as recognised in Profit & Loss Statement (net)	[11,007.29]	[9,658.99]
<b>43</b>	Breakup of remuneration paid to Managing / Wholetime Directors		
	a. Salary	447.50	279.25
	b. Contribution to Provident & other Fund	0.17	0.19
	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.		
<b>44</b>	Auditors Remuneration		
	Statutory Audit	5.06	5.06
	Certification Fees	0.56	0.56
	Others	1.99	0.94
	<b>Total</b>	<b>7.61</b>	<b>6.56</b>

45. 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

**For and on behalf of the Board**

**JINESH J. SHAH**  
Partner  
Membership No. 111155

Place : Mumbai  
Dated : May 18, 2015

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 18, 2015

**DINESH T. SHAH**  
Chairman & CFO

Place : Mumbai  
Dated : May 18, 2015

**VIPUL P. SHAH**  
CEO & Managing Director

Place : Mumbai  
Dated : May 18, 2015

**STATEMENT PURSUANT TO SECTION 198 OF THE COMPANIES ACT, 2013 RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY**

A.	Name of the Subsidiary Company	Asian Star Company Limited (New York)	Asian Star DMCC. (Dubai)	Asian Star Jewels Private Limited	Asian Star Trading (Hong Kong) Limited
B.	Date from which it became Subsidiary	September 27, 1996	February 20, 2008	December 16, 2008	May 02, 2011
C.	Number of Shares held by Asian Star Company Limited with its nominee in the subsidiary as at 31/3/2015	5 Equity Shares of US \$100,000 each fully paid	200 Equity Shares of AED 1,000 each fully paid	10,00,000 Equity Shares of Rs. 10 each fully paid	10,000 Equity Shares of HK\$ 100 each fully paid
D.	Extent of interest of Holding Company in the Subsidiary as at 31/03/2015	100%	100%	100%	100%
E.	Net aggregate amount of profits/ (losses) of the Subsidiary Company as far as it concerns the members of the company				
	a. Dealt with in the company's account				
	I. for the financial year of the subsidiary	Nil	Nil	Nil	Nil
	II. for the previous year of the subsidiary since it became the subsidiary of the company	US \$ 100,000 (Rs. 62.59 lacs)	Nil	Nil	Nil
	b. Not dealt with in the company's account				
	i. for the financial year of the subsidiary	US \$ 54,546 (Rs. 34.14 lacs)	US \$ 5,486,808 (Rs. 3,434.24 lacs)	Rs. 415.81 lacs	US \$ 74,206 (Rs. 46.45 lacs)
	ii. for the previous years of the subsidiary since it became the subsidiary of the company	US \$ 1,82,241 (Rs. 114.07 lacs)	US \$ 12,058,096 (Rs. 7,547.26 lacs)	Rs. 1,100.61 lacs	US \$ 151,057 (Rs. 94.55 lacs)

Note: Converted at the rate of exchange US\$ 1= Rs. 62.5908 prevailing on 31/03/2015.

For and on behalf of the Board

**DINESH T. SHAH**  
Chairman & CFO

**VIPUL P. SHAH**  
CEO & Managing Director

Place : Mumbai  
Dated : May 18, 2015

Place : Mumbai  
Dated : May 18, 2015

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To The Members of Asian Star Company Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ASIAN STAR COMPANY LIMITED, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at 31st March, 2015, 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date,

### **Other Matters**

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. 33,583 lacs as at 31st March, 2015, total revenues of Rs. 99,428 lacs and net cash flows amounting to Rs. 1,227 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. NIL for the year ended 31st March, 2015, 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, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure 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, 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, 2015 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, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 29 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in respect of such items as it relates to the Group, its associates and jointly controlled entities and the Group's share of net profit/loss in respect of its associates.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

Place : Mumbai  
Date : May 18, 2015

**JINESH J. SHAH**  
Partner  
Membership No. 111155

**ASIAN STAR COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015**

(Rs. in Lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,600.68	62,873.88	1,600.68	54,956.34
Reserves and Surplus	2	61,273.20		53,355.66	
Non-Current Liabilities					
Long-Term Borrowings	3	4,680.80	11,613.69	5,818.05	14,541.33
Deferred Tax Liabilities (Net)	4	2,223.81		2,459.52	
Long-Term Provisions	5	4,709.08		6,263.76	
Current Liabilities					
Short-Term Borrowings	6	85,832.63	1,26,288.00	94,394.46	1,11,605.52
Trade Payables	7	28,399.04		14,472.38	
Other Current Liabilities	8	9,709.13		544.60	
Short-Term Provisions	9	2,347.20		2,194.08	
TOTAL			2,00,775.57		1,81,103.19
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	10	16,518.70	19,216.60	17,424.22	19,124.06
Intangible Assets	10	6.60		13.21	
Capital Work-In-Progress		2,691.30		1,686.63	
Long-term Loans and Advances	11	706.10	5,441.22	716.57	7,230.79
Other Non-Current Assets	12	4,735.12		6,514.22	
Current Assets					
Current Investments	13	129.48	1,76,117.75	129.48	1,54,748.34
Inventories	14	60,156.46		45,182.83	
Trade Receivables	15	87,972.51		74,729.72	
Cash and Cash Equivalents	16	22,430.96		21,609.95	
Short-Term Loans and Advances	17	5,428.34		13,096.36	
TOTAL			2,00,775.57		1,81,103.19
Significant Accounting Policies	1 to 38				
Notes on Financial Statements					

As per our report of even date

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

For and on behalf of the Board

**JINESH J. SHAH**  
Partner  
Membership No. 111155

Place : Mumbai  
Dated : May 18, 2015

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 18, 2015

**DINESH T. SHAH**  
Chairman & CFO

Place : Mumbai  
Dated : May 18, 2015

**VIPUL P. SHAH**  
CEO & Managing Director

Place : Mumbai  
Dated : May 18, 2015



**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2015** (Rs. in Lacs)

PARTICULARS	NOTE	2014-2015		2013-2014	
Revenue From Operations	18	3,22,126.17		3,25,018.88	
Other Income	19	164.68		188.33	
<b>Total Revenue</b>			<b>3,22,290.85</b>		<b>3,25,207.21</b>
<b>EXPENSES:</b>					
Cost of Materials Consumed	20	1,92,785.73		1,89,302.25	
Purchases of Stock-in-Trade		1,02,206.44		89,462.72	
Changes In Inventories Of Work-In-Progress Finished Goods & Stock-in-Trade	21	(17,166.40)		6,588.74	
Employee Benefits Expense	22	4,533.42		3,415.65	
Finance Costs	23	2,686.42		2,560.32	
Depreciation and Amortization Expense		1,610.80		971.23	
Other Expenses	24	26,070.67		23,190.14	
<b>Total Expenses</b>			<b>3,12,727.08</b>		<b>3,15,491.05</b>
<b>Profit Before Exceptional Items &amp; Tax</b>			<b>9,563.77</b>		<b>9,716.16</b>
Exceptional Items Income/(Loss)	25		569.22		(12.45)
<b>Profit Before Tax</b>			<b>10,132.99</b>		<b>9,703.71</b>
Tax expense					
Current Tax			2,061.74		1,911.35
Deferred Tax			(124.35)		(4.41)
<b>Profit After Tax</b>			<b>8,195.60</b>		<b>7,796.77</b>
Earnings Per Equity Share:					
Basic and Diluted (In Rs.)			51.20		48.71
Significant Accounting Policies Notes on Financial Statements	1 to 38				

As per our report of even date

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

For and on behalf of the Board

**JINESH J. SHAH**  
Partner  
Membership No. 111155

Place : Mumbai  
Dated : May 18, 2015

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 18, 2015

**DINESH T. SHAH**  
Chairman & CFO

Place : Mumbai  
Dated : May 18, 2015

**VIPUL P. SHAH**  
CEO & Managing Director

Place : Mumbai  
Dated : May 18, 2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	10,132.99	9,703.71
Adjustment for		
Depreciation	1,610.80	971.23
Preliminary Expenses	0.15	0.19
Finance Costs	2,686.42	2,560.32
Unrealised Foreign Exchange (Gain) / Loss	172.23	356.39
Dividend Received	(0.02)	(5.43)
(Profit)/Loss on Sale of Fixed Assets	(569.22)	12.45
(Profit)/Loss on Sale of Investments	-	(104.99)
Wealth Tax	3.78	1.15
Operating Profit Before Working Capital Changes	14,037.13	13,495.02
Adjustment for		
Receivables	(12,677.23)	(10,340.57)
Inventories	(14,973.63)	10,636.54
Loans & Advances	7,895.74	(6,689.43)
Current Liabilities	22,930.69	(12,161.88)
Cash generated from / (used in) Operations	17,212.70	(5,060.32)
Taxation	(2,032.28)	(2,012.09)
Net cash from / (used in) Operating Activities	15,180.42	(7,072.41)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets (Includes Capital Work in Progress)	(2,172.87)	(3,020.45)
Sale of Fixed Assets	709.81	116.86
Purchase / Increase of Investments	-	(3.26)
Dividend Received	0.02	5.43
Sale/Decrease of Investments	-	369.18
Net Cash from / (used in) Investing Activities	(1,463.04)	(2,532.24)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings	(1,137.25)	1,426.75
Short Term Borrowings	(9,159.97)	16,956.38
Finance Costs	(2,686.42)	(2,560.32)
Dividend Paid	(240.10)	(240.10)
Tax on Dividend	(40.81)	(40.81)
Net cash from / (used in) Financing Activities	(13,264.55)	15,541.90
Increase / (Decrease) in Translation of Consolidation	368.18	269.77
Net Increase / (Decrease) in Cash & Cash Equivalents	821.01	6,207.02
Cash & Cash Equivalents as at 1st April (Opening)	21,609.95	15,402.93
Cash & Cash Equivalents as at 31st March (Closing)	22,430.96	21,609.95

As per our report of even date

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

For and on behalf of the Board

**JINESH J. SHAH**  
Partner  
Membership No. 111155

Place : Mumbai  
Dated : May 18, 2015

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 18, 2015

**DINESH T. SHAH**  
Chairman & CFO

Place : Mumbai  
Dated : May 18, 2015

**VIPUL P. SHAH**  
CEO & Managing Director

Place : Mumbai  
Dated : May 18, 2015

## SIGNIFICANT ACCOUNTING POLICIES

### A. Basis for Preparation of Financial Statements

The financial statements have been prepared using mercantile system of accounting under the historical cost convention. It recognises significant items of income and expenditure on accrual basis. The accounts have been prepared to comply in all material aspects with applicable accounting principles in India and the provisions of the Companies Act, 2013.

### B. Sales

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

### C. Other Income

#### Interest

Interest income is recognised on accrual basis.

#### Income from Investments

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

### D. Depreciation

Depreciation on Fixed Assets is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 on straight line basis. Depreciation of Asian Star Co. Ltd., New York and Asian Star DMCC, Dubai has been provided on Straight Line Basis.

### E. Impairment of Assets

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

### F. Foreign Currency Transactions

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

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

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

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

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

### G. Fixed Assets

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

### H. Capital Work in Progress

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

**I. Borrowing Costs**

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

**J. Investments**

J.1 Long term investments are valued at cost. Provision for diminution in value is made only if such diminution is otherwise than temporary in the opinion of the management.

J.2 Current Investments - Quoted are valued at cost or market value, whichever is lower.

**K. Inventories**

K.1 Stock of raw materials is stated at weighted average cost or net realizable value whichever is lower. Stock of polished diamonds (for jewellery operations) is valued at technically evaluated cost or net realizable value whichever is lower. Specific items of cost are allocated and assigned to inventory wherever practicable.

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

K.3 Consumables are valued at cost.

**L. Employee Benefits****L1. Short Term Employee Benefit**

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

**L2. Long Term Employee Benefit**

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

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

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

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

**M. Taxation**

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

**N. 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.

**I. Borrowing Costs****O. Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

- (ii) The consolidated financial statements of the group have been based on a line by line consolidation of Profit & Loss Account and Balance Sheet of the Company and its subsidiaries.
- (iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statement as goodwill or Capital Reserve as the case may be.
- (iv) The effects of inter-company transactions between consolidated companies are eliminated in consolidation.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

## 1. SHARE CAPITAL

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Authorised</b>		
2,50,00,000 ( 2,50,00,000 ) Equity Shares of Rs. 10 each	2,500.00	2,500.00
4,00,00,000 ( 4,00,00,000 ) Redeemable Cumulative Preference Shares of Rs. 10 each	4,000.00	4,000.00
	<b>6,500.00</b>	<b>6,500.00</b>
<b>Issued, Subscribed and Paid-up</b>		
1,60,06,800 ( 1,60,06,800 ) Equity Shares of Rs. 10 each	1,600.68	1,600.68
<b>Total</b>	<b>1,600.68</b>	<b>1,600.68</b>

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

NAME OF THE SHAREHOLDERS	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vipul Prabodh Shah	40,00,050	24.99	40,00,050	24.99
Nirmala Dinesh Shah	18,00,000	11.25	18,00,000	11.25
Arvind Tarachand Shah	15,84,450	9.90	15,84,450	9.90
Priyanshu Arvind Shah	12,15,450	7.59	12,15,450	7.59
Rasila Arvind Shah	12,00,000	7.50	12,00,000	7.50
Dharmesh Dinesh Shah	11,50,000	7.18	11,50,000	7.18
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
<b>Total</b>	<b>1,19,50,000</b>	<b>74.66</b>	<b>1,19,50,000</b>	<b>74.66</b>

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

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Equity shares at the beginning of the year	1,60,06,800	1,60,06,800
Equity shares at the end of the year	1,60,06,800	1,60,06,800

## 2. RESERVES & SURPLUS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
<b>Capital Reserves</b>				
As per Last Balance Sheet		294.50		294.50
<b>Capital Redemption Reserve</b>				
As per Last Balance Sheet		1,986.44		1,986.44
<b>General Reserves</b>				
As per Last Balance Sheet	13,213.37		13,013.37	
Add : Transferred from Profit and Loss Account	200.00		200.00	
		13,413.37		13,213.37
<b>Surplus Account</b>				
As per last Balance Sheet	37,346.81		30,030.95	
Add: Profit for the Year	8,195.60		7,796.77	
	45,542.41		37,827.72	
Less: Appropriations				
Transferred to General Reserve	200.00		200.00	
Proposed Dividend on Equity Shares (Dividend per Share Rs. 1.50/-) (Previous Year Dividend per Share Rs. 1.50/-)	240.10		240.10	
Tax on Dividend Proposed	50.24		40.81	
Adjustment relating to Fixed Assets	217.58		-	
Provision for Tax of Earlier Years	138.32		-	
	846.24		480.91	
		44,696.17		37,346.81
Translation Reserve		882.72		514.54
<b>Total</b>		<b>61,273.20</b>		<b>53,355.66</b>

## 3. LONG TERM BORROWINGS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Unsecured Loans</b>		
Loan from Related Party- Directors	4,680.80	5,818.05
<b>Total</b>	<b>4,680.80</b>	<b>5,818.05</b>

## 4. DEFERRED TAX LIABILITY

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Deferred Tax Liability on account of:</b>		
Depreciation	2,403.59	2,533.02
Less: Deferred Tax Asset write back on account of change in estimated useful life of Assets	111.36	-
(A)	2,292.23	2,533.02
<b>Deferred Tax Asset on account of:</b>		
Provision for diminution in market value of Current Investments	-	0.99
Provision for Doubtful Debts	8.50	7.77
Gratuity Liability	59.92	64.74
(B)	68.42	73.50
<b>Deferred Tax Liability - Net</b>	<b>2,223.81</b>	<b>2,459.52</b>

**5. LONG TERM PROVISIONS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	181.75	195.92
<b>Others</b>		
Taxation	4,527.33	6,067.84
<b>Total</b>	<b>4,709.08</b>	<b>6,263.76</b>

**6. SHORT TERM BORROWINGS**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Secured Loans</b>		
Working Capital Loan from Banks	85,832.63	85,109.00
<b>Secured by</b>		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Hypothecation of Premises at Mumbai & Dubai		
d. Guaranteed by some of the Directors in their personal capacity		
<b>A</b>	<b>85,832.63</b>	<b>85,109.00</b>
<b>Unsecured Loans</b>		
Loan from Others	-	9,285.46
<b>B</b>	<b>-</b>	<b>9,285.46</b>
<b>Total</b>	<b>85,832.63</b>	<b>94,394.46</b>

**7. TRADE PAYABLES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Creditors for Goods	27,547.99	12,688.71
Creditors for Processing	851.05	1,783.67
<b>Total</b>	<b>28,399.04</b>	<b>14,472.38</b>

**8. OTHER CURRENT LIABILITIES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Unclaimed Dividend	0.24	0.24
Other Payables *	9,708.89	544.36
<b>Total</b>	<b>9,709.13</b>	<b>544.60</b>

\* Includes statutory dues and payable for expenses / services



## 9. SHORT TERM PROVISIONS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Employee Benefits</b>		
Leave Encashment (unfunded)	4.38	11.06
<b>Others</b>		
Proposed Dividend	240.10	240.10
Tax On Dividend	50.24	40.81
Provision for Taxation	2,052.48	1,902.11
<b>Total</b>	<b>2,347.20</b>	<b>2,194.08</b>

## 10. FIXED ASSETS

(Rs. in Lacs)

Description Of Assets	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At April 1, 2014	For The Year	Adjustments upon adoption of Schedule II	Deductions	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
<b>Tangible Assets</b>											
Land	774.81	-	-	774.81	-	-	-	-	-	774.81	774.81
Office Premises	3,440.45	-	164.69	3,275.76	563.54	65.34	-	33.60	595.28	2,680.48	2,877.14
Factory Premises	2,232.85	76.02	-	2,308.87	279.04	86.34	-	-	365.38	1,943.49	1,953.81
Plant & Machinery	12,706.34	764.70	1.40	13,469.64	3,565.19	854.57	9.06	0.31	4,428.51	9,041.13	9,141.16
Vehicles	620.33	12.59	39.75	593.17	198.91	95.54	9.31	36.69	267.07	326.10	421.42
Furniture & Fixtures	1,253.41	44.56	-	1,297.97	424.68	165.87	46.00	-	636.55	661.42	828.51
Office Equipments	1,739.99	205.85	6.00	1,939.84	459.53	253.22	250.89	0.66	962.98	976.86	1,280.44
Computer	519.82	64.47	24.44	559.85	372.89	83.31	3.23	13.99	445.44	114.41	146.93
<b>Intangible Assets</b>											
Computer Software	14.25	-	-	14.25	1.04	6.61	-	-	7.65	6.60	13.21
<b>CURRENT YEAR</b>	<b>23,302.25</b>	<b>1,168.19</b>	<b>236.28</b>	<b>24,234.16</b>	<b>5,864.82</b>	<b>1,610.80</b>	<b>318.49</b>	<b>85.25</b>	<b>7,708.86</b>	<b>16,525.30</b>	<b>17,437.43</b>
<b>PREVIOUS YEAR</b>	<b>20,465.41</b>	<b>3,061.99</b>	<b>225.15</b>	<b>23,302.25</b>	<b>4,989.40</b>	<b>971.23</b>	<b>-</b>	<b>95.81</b>	<b>5,864.82</b>	<b>17,437.43</b>	<b>15,476.01</b>

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

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Capital Advances	445.26	460.00
Security Deposits	260.84	256.57
<b>Total</b>	<b>706.10</b>	<b>716.57</b>

## 12. OTHER NON CURRENT ASSETS

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Advance Tax	4,694.99	6,468.95
Deposits With Others	39.53	44.52
Preliminary Expenditure	0.60	0.75
<b>Total</b>	<b>4,735.12</b>	<b>6,514.22</b>

## 13. CURRENT INVESTMENTS

(Rs.in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
<b>Investments in Equity</b>		
Quoted, fully paid up		
Classic Diamond (India) Ltd. 5,000 (5,000) Shares of Rs. 2 each	4.69	4.69
Flawless Diamond (India) Ltd. 100 (100) Shares of Re. 1 each	0.01	0.01
Gitanjali Gems Ltd. 1,000 (1,000) Shares of Rs. 10 each	2.20	2.20
Golddiam International Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.97	0.97
Golkunda Diamond & Jewellery Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Parekh Platinum Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Rajesh Exports Ltd. 600 (600) Shares of Re. 1 each	0.52	0.52
S.B. & T International Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shantivijay Jewels Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Shrenuj & Co. Ltd 2,000 (1,000) Shares of Rs. 2 each	0.45	0.45
Windsome Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.56	0.56
Vaibhav Global Ltd. 10 (10) Shares of Rs. 10 each	0.03	0.03
Zodia JRD MKJ Ltd. 10 (10) Shares of Rs. 10 each	0.01	0.01
Tribhovandas Bhimji Zaveri Ltd. 1,00,000 (1,00,000) Shares of Rs. 10 each	120.00	120.00
	129.48	129.48
Less: Adjustment to carrying amount of Investments	-	-
<b>Total</b>	<b>129.48</b>	<b>129.48</b>
Aggregate amount of quoted investments	129.48	129.48
Market Value of quoted investments	149.43	133.52
Basis of Valuation - at cost or market value whichever is lower		

## 14. INVENTORIES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Raw Materials	18,551.67	20,744.88
Work-in-Progress	2,953.41	2,833.91
Finished Goods & Stock-in-Trade	38,615.48	21,568.58
Consumables	35.90	35.46
(As verified, valued and certified by a Director)		
<b>Total</b>	<b>60,156.46</b>	<b>45,182.83</b>

## 15. TRADE RECEIVABLES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
<b>Unsecured</b>				
Over six months from due date				
Considered Good	1,594.45		1,493.34	
Considered Doubtful	49.71		-	
	1,644.16		1,493.34	
Less: Provision for Doubtful Debts	49.71		-	
		1,594.45		1,493.34
<b>Others</b>				
Considered Good		86,378.06		73,236.38
<b>Total</b>		<b>87,972.51</b>		<b>74,729.72</b>

## 16. CASH AND BANK BALANCES

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Balances with Banks	11,629.90	11,641.93
Fixed Deposits with Banks	10,744.02	9,332.33
Cash on hand	57.04	35.69
Cheque/Demand Draft in hand	-	600.00
<b>Total</b>	<b>22,430.96</b>	<b>21,609.95</b>

- Balance with banks include unclaimed dividend of Rs. 0.24 Lacs (For 2013-14 it was Rs. 0.24 Lacs) & unclaimed fractional entitlement Rs. 0.17 Lacs (For 2013-14 it was Rs. 0.17 Lacs).
- Fixed Deposits with banks include deposits of Rs. 746.70 Lacs (For 2013-14 it was Rs. 1,135.90 Lacs) with maturity of more than 12 months.
- Fixed Deposits with banks includes deposits of Rs. 573.75 Lacs (For 2013-14 it was Rs. 529.05 Lacs) kept under lien with the bank as security for bank facilities obtained by a subsidiary company.

**17. SHORT TERM LOANS AND ADVANCES**

(Rs. in Lacs)

PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Advance Tax	2,102.58	1,942.37
<b>LOANS &amp; ADVANCES OTHERS*</b>		
Unsecured, considered good	3,325.76	11,153.99
<b>Total</b>	<b>5,428.34</b>	<b>13,096.36</b>

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

**18. REVENUE FROM OPERATIONS**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Sale of Products	3,21,779.79	3,24,972.64
Sale of Services	346.38	46.24
<b>Total</b>	<b>3,22,126.17</b>	<b>3,25,018.88</b>

**18.1 PARTICULARS OF THE SALE OF PRODUCTS**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Diamond	2,74,490.67	2,76,781.84
Jewellery	46,698.76	47,557.60
Power- Windmill	590.36	633.20
<b>Total</b>	<b>3,21,779.79</b>	<b>3,24,972.64</b>

**19. OTHER INCOME**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Interest Income	120.39	33.47
Dividend Income	0.02	5.43
Net gain / (loss) on Sale of Investments	-	104.99
Miscellaneous Receipts	44.27	44.44
<b>Total</b>	<b>164.68</b>	<b>188.33</b>

**20. COST OF MATERIALS CONSUMED**

(Rs. in Lacs)

PARTICULARS	2014-2015		2013-2014	
Stock at the Commencement	20,744.88		24,806.04	
Purchases during the year	1,90,592.52		1,85,241.09	
	2,11,337.40		2,10,047.13	
Less: Stock at the Close	18,551.67		20,744.88	
<b>Total</b>		<b>1,92,785.73</b>		<b>1,89,302.25</b>

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

(Rs. in Lacs)

PARTICULARS	2014-2015		2013-2014	
Variation in Stock of Work In Progress				
Stock at the Commencement	2,833.91		2,562.70	
Less: Stock at the Close	2,953.41		2,833.91	
		(119.50)		(271.21)
Variation in Stock of Finished Goods				
Stock at the Commencement	15,694.65		26,127.32	
Less: Stock at the Close	35,078.43		15,694.65	
		(19,383.78)		10,432.67
Variation in Stock-in-Trade				
Stock at the Commencement	5,873.93		2,301.21	
Less: Stock at the Close	3,537.05		5,873.93	
		2,336.88		(3,572.72)
<b>Total</b>		<b>(17,166.40)</b>		<b>6,588.74</b>

**22. EMPLOYEE BENEFITS EXPENSE**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Salary & Bonus	2,875.49	2,226.61
Director's Remuneration	447.50	279.25
Wages	757.58	577.25
Gratuity	70.54	57.74
Ex Gratia & Leave Encashment	68.81	60.52
Labour Welfare Fund Expenses	3.79	0.61
Contribution to Provident Fund	176.70	109.18
Insurance	55.83	30.30
Contribution to E.S.I.C.	35.52	35.93
Staff Welfare Expenses	41.66	38.26
<b>Total</b>	<b>4,533.42</b>	<b>3,415.65</b>

**23. FINANCE COSTS**

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
Interest Expense	2,254.19	2,271.51
Other Borrowing Costs	427.72	275.06
Other Interest *	4.51	13.75
<b>Total</b>	<b>2,686.42</b>	<b>2,560.32</b>

\* Includes interest on late payment of Service Tax.

## 24. OTHER EXPENSES

(Rs. in Lacs)

PARTICULARS	2014-2015		2013-2014	
<b>Manufacturing Expenses</b>				
Processing Expenses	20,288.51		18,317.02	
Electricity, Power & Fuel	442.83		417.28	
Consumables	386.22		295.52	
Factory Expenses	139.17		125.96	
		21,256.73		19,155.78
<b>Administrative / Selling &amp; Distribution Expenses</b>				
Bank Comission & Charges	285.53		245.91	
Electrical Charges	146.56		121.80	
Telephone, Internet and Fax Charges	103.97		87.64	
Local Travelling and Conveyance	69.48		67.73	
Legal & Professional fees	220.82		190.74	
Audit Fees	10.38		10.31	
Printing & Stationery	51.91		49.16	
Repairs & Maintenance (Other)	102.01		92.66	
Repairs & Maintenance (Building)	15.75		2.75	
Repairs & Maintenance (Plant & Machinery)	147.41		194.50	
Repairs & Maintenance (Windmill)	187.07		180.26	
Postage and Courier	64.95		58.95	
Bad Debts	39.69		49.20	
Provision for Doubtful Debts	49.71		-	
Rates & Taxes	32.94		56.79	
Motor Car Expenses	58.94		52.35	
Insurance Premium	281.30		269.27	
Rent & Compensation	247.91		245.11	
Donation	133.35		88.61	
Office Canteen Expenses	75.59		99.57	
Office Expenses	30.70		19.29	
Director's Sitting Fees	1.73		1.83	
Sundry Expenses	119.80		92.85	
Security Charges	65.75		72.31	
Registration & Filing Charges	65.83		1.94	
Wealth Tax	3.78		1.15	
Membership and Subscription	17.38		13.82	
Preliminary Exp written off	0.15		0.19	
Exchange (Gain)/Loss on Translation	186.99		195.27	
Advertisement	88.85		57.83	
Sales Expenses	181.52		169.31	
Entertainment Expenses	123.52		32.17	
Foreign Travelling	238.72		203.17	
Commission on Sales	196.75		207.69	
Re-Assortment Charges	28.26		28.96	
Freight & Clearing Charges	244.66		254.44	
Agency Charges	18.59		19.30	
E.C.G.C. Premium	175.32		160.37	
Diamond Grading Charges	659.25		305.87	
Packing Expenses	41.12		33.29	
		4,813.94		4,034.36
<b>Total</b>		<b>26,070.67</b>		<b>23,190.14</b>

**25. EXCEPTIONAL ITEMS INCOME / (LOSS)**

(Rs. in acs)

PARTICULARS	2014-2015	2013-2014
Net Gain/(Loss) on Sale of Assets	569.22	(12.45)
<b>Total</b>	<b>569.22</b>	<b>(12.45)</b>

26. Surplus / (Deficit) on account of exchange difference on outstanding forward exchange contracts to be recognized in profit and loss account of subsequent accounting period aggregate to Rs. 8.93 crores (For F.Y. 2013-14 it was Rs 10.50 crores).

**27. Derivative Instruments:**

a) Derivative contracts entered into and outstanding as on 31st March, 2015.

i) For hedging currency related risk:

Forward / option contracts (net) for Sales entered into by the company and outstanding as on 31st March, 2015 amount to Rs. 867.12 crores (For F.Y.2013-14 forward / option contracts (net) for Sales was Rs. 1,627.63 crores).

ii) For Hedging commodity related risk:

Forward contracts for sale of Gold and Silver entered into by the company and outstanding as on 31st March, 2015 covers 42 kgs and 210 kgs respectively. (For F.Y. 2013-14 it was 5 kgs and 270 kgs respectively).

b) Foreign currency exposure (net liability) that is not hedged by the derivative instruments as on 31st March, 2015, amount to Rs. 369.09 crores. (For F.Y.2013-14 it was Rs. 278.07 crores (net liability)).

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

(Rs. in Lacs)

SR. NO.	PARTICULARS	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

29. a) The Company has given guarantee of Rs. 205.74 crores (For F.Y. 2013-14 it was Rs. 150.43 crores) to Banks for facilities availed by its subsidiary companies.
- b) The Company has disputed income tax liability of Rs. Nil (For F.Y. 2013-14 it was Rs. 0.54 crores).
- c) The Company has disputed service tax liability of Rs.4.46 crores (For F.Y. 2013-14 it was Rs. 4.46 crores).
- d) The Company has disputed liability of Rs. 1.63 crores (For F.Y. 2013-14 it was Rs. Nil) in respect of Customs duty raised by Directorate of Revenue Intelligence.

The Company is of the opinion that the demand raised by Service tax department & Directorate of Revenue Intelligence is not tenable and has made appropriate submission to the departments. The same shall be charged to profit & loss account, if required, on disposal of the matter.

**30. Related Party Disclosure for the year ended 31st March, 2015:**

**i) List of Related Parties and Relationships:**

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



ii) Transactions during the year with Related Parties:

(Rs. in Lacs)

Particulars	Name of the Party	Volume 2014-2015	Amount Outstanding as on 31.03.2015
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	11,204.58	3,825.63
	Asian Star Jewels Pvt. Ltd.	6,021.77	2,847.33
	Jewel Art (Unit-II)	126.57	126.57
Investment in Subsidiary	Asian Star Co. Ltd.- (U.S.A.)	Nil	178.75
	Asian Star Trading (Hong kong) Ltd.	Nil	57.40
	Asian Star DMCC	Nil	12.00
	Asian Star Jewels Pvt. Ltd.	Nil	100.00
Loan Repaid by Subsidiary	Asian Star Jewels Pvt. Ltd.	225.00	565.41
Sale of Rubber Mould	Asian Star Jewels Pvt. Ltd.	5.50	Nil
Sale of Colour Stone	Asian Star Jewels Pvt. Ltd.	26.13	Nil
Directors' Remuneration	Dinesh T. Shah	125.00	Nil
	Arvind T. Shah	112.50	Nil
	Vipul P. Shah	112.50	Nil
	Priyanshu A. Shah	67.50	Nil
	Rahil V. Shah	30.00	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil
	Arvind T. Shah	0.96	Nil
	Dharmesh D. Shah	0.72	Nil
	Vipul P. Shah	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30.00
	Arvind T. Shah	Nil	30.00
	Dharmesh D. Shah	Nil	20.00
	Vipul P. Shah	Nil	30.00
Unsecured Loans Taken / (Repaid) -(Net)	Dinesh T. Shah	173.00	438.00
	Arvind T. Shah	34.75	65.80
	Dharmesh D. Shah	(480.00)	933.00
	Vipul P. Shah	(475.00)	2,650.00
	Priyanshu A. Shah	(390.00)	594.00
Contract for Processing of Diamonds	Shah Manufacturers	3,329.10	(43.34)
Sale of Jewellery	Sujata V. Shah	86.02	Nil
	Sweta D. Shah	1.61	Nil
	Vimla P. Shah	0.82	Nil
	Vipul P. Shah	72.63	Nil

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

a) Defined Contribution Plan

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

(Rs. in Lacs)

PARTICULARS	Amount
Employers Contribution to Provident Fund & Family Pension Fund	176.70
Employers Contribution to Employees State Insurance Scheme	35.52
Employers Contribution to Labour Welfare Fund	0.73

b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2015 and recognized in the financial statement in respect of Employee Benefits Scheme:

(Rs. in Lacs)

DISCLOSURE UNDER AS 15 (REVISED) EMPLOYEE BENEFITS:	GRATUITY (FUNDED)
<b>I) Change in defined benefits obligation as at 31st March, 2015</b> a) Present value of the obligation as at beginning of the year b) Current Service Cost c) Interest Cost d) Benefit Paid e) Actuarial (gain)/Loss on obligation f) Present value of obligation as at end of the year	508.78 47.91 47.37 (41.22) 4.03 566.87
<b>II) Change in fair value of Plan Assets</b> a) Present value of the Plan Assets at the beginning of the year b) Expected return on Plan Assets c) Contribution d) Benefit Paid e) Actuarial gain/(loss) on Plan Assets f) Present value of Plan Assets at the end of the year g) Actual return on Plan Assets	312.87 27.22 84.70 (41.22) 1.55 385.12 28.77
<b>III) Component of Employee Cost recognized in Profit &amp; Loss Statement</b> a) Interest Cost b) Current Service Cost c) Expected return on Plan Assets d) Actuarial (gain) / loss e) Expenses recognized in Profit & Loss Statement	47.36 47.91 (27.22) 2.48 70.54
<b>IV) Reconciliation of Present value of obligation and fair value of Plan Assets</b> a) Present value of obligation at the end of the year b) Fair Value of Plan Assets at the end of the year c) Difference d) Amount Recognized in the Balance Sheet	566.87 385.12 (181.75) (181.75)
<b>V) Actuarial Assumptions</b> a) Discount Rate b) Expected rate of return on assets c) Future salary escalation d) Attrition rate	7.96 % 7.96 % 3.00 % 2.00 %

32. Gain/(loss) on exchange fluctuation as recognized in statement of profit and loss statement (net) for F.Y. 2014-15 is Rs. (10,945.29 Lacs) [for F.Y. 2013-14 it was Rs. (9,610.29 Lacs)].

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

(Rs. in Lacs)

PARTICULARS	2014-2015	2013-2014
<b>1. Segment - Revenue</b>		
Diamond	2,90,200.13	2,91,036.65
Jewellery	47,045.14	47,603.85
Others	755.04	821.53
<b>Total</b>	<b>3,38,000.31</b>	<b>3,39,462.03</b>
Less: Inter Segment Revenue/ Transfer	15,709.46	14,254.82
<b>Net Sales / Revenue</b>	<b>3,22,290.85</b>	<b>3,25,207.21</b>
<b>2. Segment Results</b>		
Profit/(Loss) before Tax and Interest from each segment		
Diamond	10,239.00	9,932.87
Jewellery	1,758.43	2,079.83
Others	252.76	263.77
<b>Total</b>	<b>12,250.19</b>	<b>12,276.47</b>
Less:		
Finance Costs	2,686.42	2,560.31
Exceptional Item (Gain) / Loss	(569.22)	12.45
Other un - allocable expenses	-	-
<b>Total Profit Before Tax</b>	<b>10,132.99</b>	<b>9,703.71</b>
<b>3. Capital Employed</b>		
Diamond	49,610.61	42,868.06
Jewellery	8,520.16	7,216.77
Others	4,743.11	4,871.51
<b>Total Capital Employed</b>	<b>62,873.88</b>	<b>54,956.34</b>

- (a) As per Accounting Standard on Segment Reporting (AS-17), issued by the Institute of Chartered Accountant of India, the Company has reported segment information on consolidated basis including business conducted by its subsidiaries.
- (b) The Company now recognizes two reportable business segments viz. Diamond and Jewellery. The business which is not reportable during the year has been grouped under 'Others' Segment, this comprises wind energy generation.

**34. Earning Per Share**

PARTICULARS	2014-2015	2013-2014
Profit After Tax (Rs. in Lacs)	8,195.60	7,796.77
Number of Equity Shares	1,60,06,800	1,60,06,800
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share(Basic) (Rs.)	51.20	48.71

**35. Corporate Social Responsibility (CSR):**

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

(Rs. in Lacs)

SR. NO.	PARTICULARS	Amount
(i)	By Holding Company	98.62
(ii)	By Subsidiaries	6.65
	<b>Total</b>	<b>105.27</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	106.19	-	106.19
	By Subsidiaries	-	6.65	6.65
	<b>Total</b>	<b>106.19</b>	<b>6.65</b>	<b>112.84</b>

36. Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortized carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives has expired as at 1st April, 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Statement amounting to Rs. 217.58 Lacs.

### 37. FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

	Asian Star Co. Ltd. N.Y.		Asian Star DMCC		Asian Star Trading (Hong Kong) Ltd.		Asian Star Jewels Pvt. Ltd.
Reporting Currency	USD		USD		USD		Rs.
	USD (in lacs)	Rs. (in lacs)	USD (in lacs)	Rs. (in lacs)	USD (in lacs)	Rs. (in lacs)	Rs. (in lacs)
Capital	5.00	312.95	0.54	34.11	1.28	80.24	100.00
Reserves	2.37	147.80	175.69	10,759.15	2.25	141.00	1,516.42
Total Assets	87.21	5,457.94	342.30	21,187.72	110.83	6,937.13	8,867.07
Total Liabilities	87.21	5,457.94	342.30	21,187.72	110.83	6,937.13	8,867.07
Investments	-	-	-	-	-	-	-
Turnover/Total Income	249.10	15,250.03	1,337.25	81,867.45	35.27	2,159.12	12,575.54
Profit Before Taxation	0.59	35.90	54.87	3,359.07	0.85	52.18	532.90
Provision for Taxation	0.04	2.51	-	-	0.11	06.75	-
Profit After Taxation	0.55	33.39	54.87	3,359.07	0.74	45.43	532.90
Proposed Dividend	-	-	-	-	-	-	-
Country	U.S.A		U.A.E		Hong Kong		India

38. 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

For and on behalf of the Board

**JINESH J. SHAH**  
Partner  
Membership No. 111155

Place : Mumbai  
Dated : May 18, 2015

**APARNA SHINDE**  
Company Secretary

Place : Mumbai  
Dated : May 18, 2015

**DINESH T. SHAH**  
Chairman & CFO

Place : Mumbai  
Dated : May 18, 2015

**VIPUL P. SHAH**  
CEO & Managing Director

Place : Mumbai  
Dated : May 18, 2015

## CORPORATE INFORMATION

### Board of Directors

Dinesh T. Shah  
Chairman & CFO

Vipul P. Shah  
CEO & Managing Director

Arvind T. Shah  
Executive Director

Priyanshu A. Shah  
Executive Director

Rahil V. Shah  
Executive Director

Dharmesh D. Shah  
Director

K. Mohanram Pai  
Director

Apurva R. Shah  
Director

Hasmukh B. Gandhi  
Director

Milind H. Gandhi  
Director

Bhupendra K. Shroff  
Director

Miyar R. Nayak  
Director

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

Kotak Mahindra Bank

IDBI Bank

Ratnakar Bank Ltd.

Royal Bank of Scotland Ltd.

Syndicate Bank

State Bank of Patiala

Standard Chartered Bank

State Bank of Hyderabad

State Bank of Travancore

### Auditors

V.A. Parikh & Associates LLP  
Chartered Accountants

### Registrar & Transfer Agents

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

**NOTES**



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



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