

September 8, 2020

BSE Limited

Corporate Relationship Department,
14th Floor, P.J Towers,
Dalal Street, Fort,
Mumbai 400 001

Scrip Code: 531847/ Scrip Id: ASTAR

Sub: Notice of 26th Annual General Meeting (AGM) and Annual Report 2019-2020

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclosed herewith Notice of the 26th Annual General Meeting and Annual Report for 2019-2020 of the Company scheduled to be held on Wednesday, 30th September, 2020 at 3.00 P.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

The Notice of AGM along with the Annual Report for the financial year 2019-2020 is also available on the website of the Company.

Kindly take the above information on your record.

Thanking you.
Yours faithfully,

For ASIAN STAR COMPANY LIMITED


ARVIND TARACHAND SHAH
DIN: - 00004720
DIRECTOR



Asian Star Company Limited 114, Mittal Court - C, Nariman Point, Mumbai - 400 021, India. CIN: L36910MH1995PLC086017
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Asian Star Company Limited

(CIN: L36910MH1995PLC086017)

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

Email - info@asianstargroup.com, Website - www.asianstargroup.com, Tel No: +91 22 62444111, Fax: +91 22 22842427

NOTICE

Notice is hereby given that Twenty-Sixth Annual General Meeting of the Members of Asian Star Company Limited will be held on Wednesday, September 30, 2020 at 3.00 p.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors ("the Board") and Auditor's thereon.

2. Declaration of dividend

To declare a dividend of Rs. 1.50 per equity share, for the year ended March 31, 2020.

3. To consider re-appointment of Mr. Dinesh T. Shah (DIN: 00004685) as a Director, who retire by rotation and being eligible, offer himself for re-appointment.

To appoint a Director in place of Mr. Dinesh T. Shah (DIN: 00004685), who retires by rotation and, being eligible, seeks re-appointment.

4. To consider re-appointment of Mr. Dharmesh D. Shah (DIN: 00004704) as Director, who retire by rotation and being eligible, offer himself for re-appointment.

To appoint a Director in place of Mr. Dharmesh D. Shah (DIN: 00004704), who retires by rotation and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:

5. Approval of Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of Section 188 of Companies Act, 2013 and other applicable provisions, if any, of the Act read with the Companies (Meeting of Board and its Powers) Rules, 2014 including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and pursuant to the consent of the Audit Committee and of the Board of Directors consent of the Company be and is hereby accorded to ratify/ approve all existing and proposed contract(s) / transaction(s)/ arrangement(s)/ agreement(s) with Related Parties and on such terms as detailed in the explanatory statement to this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above resolution."

6. Re-appointment of Mr. Vipul P. Shah (DIN: 00004746) as Chief Executive Officer & Managing Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) and pursuant to recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to re-appoint Mr. Vipul P. Shah (DIN: 00004746) as Managing Director & CEO of the Company for a term of 5 (Five) years with effect from January 1, 2021, on the terms and conditions as under:

- Period of appointment: From January 1, 2021 to December 31, 2025.
- Salary: Rs. 1,75,00,000/- (Rupees One Crore Seventy Five Lacs Only).
- Perquisites and benefits as per Schedule V of the Act.

d) Powers and duties as per the provisions of the Articles of Association of the Company.

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

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

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

7. Re-appointment of Mr. Arvind T. Shah (DIN: 00004720) as a Whole-time Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) and pursuant to recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to re-appoint Mr. Arvind T. Shah (DIN: 00004720) as an Whole-time Director of the Company for a term of 5 (Five) years with effect from January 1, 2021, whose period of office shall be liable to determination by retirement of Directors by rotation, on the terms and conditions as under:

- a) Period of appointment: From January 1, 2021 to December 31, 2025.
- b) Salary: Rs. 1, 25,00,000/- (Rupees One Crore Twenty Five Lacs only) per annum.
- c) Perquisites and benefits as per Schedule V of the Act.
- d) Powers and duties as per the provisions of the Articles of Association of the Company.

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

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

8. Re-appointment of Mr. Priyanshu A. Shah (DIN: 00004759) as a Whole-time Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), and pursuant to recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to re-appoint Mr. Priyanshu A. Shah (DIN: 00004759) as an Whole-time Director of the Company for a term of 5 (Five) years with effect from January 1, 2021, whose period of office shall be liable to determination by retirement of Directors by rotation, on the terms and conditions as under:

- a) Period of appointment: From January 1, 2021 to December 31, 2025.
- b) Salary: Rs. 1, 00,00,000/- (Rupees One Crore Only).
- c) Perquisites and benefits as per Schedule V of the Act.
- d) Powers and duties as per the provisions of the Articles of Association of the Company.

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

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

9. Appointment of Mr. Jayantilal D. Parmar as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and other laws, rules and regulations as may be applicable from time to time and pursuant to the recommendation of Nomination and Remuneration Committee and subject to approval of members in Annual General Meeting, the consent of the board of directors be and is hereby accorded for the appointment of Mr. Jayantilal D. Parmar (DIN: 07440353), who was appointed as an additional director (Independent and Non - Executive) w.e.f. 13th November, 2019, to hold office for a term of five years commencing from 13th November, 2019 to 12th November, 2024, whose office shall not be liable to retire by rotation, on such terms and conditions including remuneration determined/to be determined by the Board.

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

10. Approval for continuation of payment of remuneration to Executive Directors who are promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018.

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

"RESOLVED THAT pursuant to the provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 and other applicable provisions, if any and in continuation of the resolutions passed at the Annual General Meeting(s) for the appointment and payment of remuneration of Mr. Vipul P. Shah, Managing Director & CEO, Mr. Arvind T. Shah, Whole-time Director and Mr. Priyanshu A. Shah, Whole-time Director of the Company ("Executive Directors and promoters") under the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof], the Company do hereby accords its approval to the payment of remuneration in excess of 2.5% of the Net Profit (computed in a manner laid down in Section 198 of the Companies Act, 2013) to each of its Executive Directors and promoters and also payment of remuneration in excess of 5% of the Net Profit to all its Executive Directors for each of the financial years from 2018-19 and onwards, provided the remuneration payable to each of the Executive Directors shall not exceed existing terms and conditions as approved by the members of the Company in General meeting at the time of approving their current tenure of appointment and remuneration.

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

Place: Mumbai
Date: July 30, 2020

By Order of the Board

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

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

NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Act, relating to the Special Business under item No. 5 to 10 to be transacted at the AGM is annexed hereto in Annexure- 2 to this Notice. Further, disclosures as required under the SEBI LODR Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India with respect to details of Directors who are proposed to be appointed/re-appointed are also enclosed.
2. In view of the outbreak of global COVID-19 pandemic and pursuant to General Circular numbers 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) dated 12th May, 2020 (hereinafter collectively referred to as "the Circulars"), has allowed companies to hold AGM through Video Conferencing (VC) or Other Audio Visual Mean (OAVM), without the physical presence of members at a common venue. Hence, in compliance with the applicable provisions of Companies Act, 2013 read with aforesaid circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2019 the AGM of the Company is being held through VC/OAVM on 30th September, 2020 at 3.00 P.M
3. Pursuant to provision of the Act, A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Members may kindly note that the 26th AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Hence the facility for appointment of proxies will not be available to the Members for this AGM and hence Proxy Form, Attendance Slip and Route Map of AGM venue are not annexed to this Notice. The deemed venue for the 26th AGM shall be Registered Office of the Company.
4. The Company has availed the services of National Securities Depository Limited as the authorised agency for conducting the AGM through VC/OAVM and providing e-voting facility. Kindly check **Annexure 1** for instruction for attending AGM.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.asianstargroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
8. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company at secretarial@asianstargroup.com or upload on the VC portal / e-voting portal.
9. In case of joint holders only such joint holder who is higher in the order of names will be entitled to vote during the meeting.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2020. Members seeking to inspect such documents can send an email to secretarial@asianstargroup.com.
11. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2020 to 30th September, 2020 (both days inclusive) and 23rd September, 2020 will be the Record date for the purpose of payment of dividend. The dividend, as recommended by the Board of Directors of the Company, if declared at the AGM, will be paid within 30 days from the date of AGM to those Members, whose names stand registered as on book closure date in the record of the Company/RTA/Depositories.
12. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service.

Shareholders are requested to register / update their complete bank details:

- a. with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and
- b. with the RTA if shares are held in physical mode.

13. Pursuant to the amendments introduced by Finance Act, 2020 in Income Tax Act, 1961, ("the Act"), dividend income is taxable with effect from 1st April, 2020 in the hands of shareholders. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

Members having valid PAN	7.5% or as notified by the Government of India
Members not having PAN / valid PAN not updated with Depository / RTA	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed Rs. 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

Non-resident shareholders can avail beneficial tax rates under Double Tax Avoidance Agreement [DTAA] i.e. tax treaty between India and their country of residence. Non-resident shareholders are required to provide details on applicability of beneficial tax rates and provide following documents:

- Copy of PAN card copy, if any, allotted by Indian Income Tax Authorities duly self-attested by the member.
- Copy of Tax Residency Certificate [TRC] for the FY 2020-21 obtained from the revenue authorities of country of tax residence duly attested by the member.
- Self-declaration in Form 10-F.
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities.

The members/shareholders are required to provide above documents/declarations by sending an E-mail to secretarial@asianstargroup.com on/before 23rd September, 2020. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the rates mentioned in the Income Tax Act, 1961. In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

14. In compliance with the aforesaid Circulars and in view of the prevailing situation, there are difficulties in despatching of physical copies of the Notice of 26th AGM and Annual Report for the financial year 2019-20, the Notice of 26th AGM along with the Annual Report for the financial year 2019-20 is sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories / RTA. The AGM notice and Annual Report of the Company will also be available on the Company's website at www.asianstargroup.com and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com.

15. For receiving all communication (including Annual Report) from the Company electronically:

- a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by contacting to the RTA-Bigshare Services Private Limited at jibu@bigshareonline.com.
- b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

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

17. Members wish to claim dividends that remained unclaimed are requested to correspond with the RTA/Company Secretary. Members are requested to note that dividends that are not claimed within 7 years from the date of transfer to the Company's unpaid dividend account, will, as per section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF).

unpaid dividend account, will, as per section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividends remain unclaimed for seven consecutive years will be transferred to the IEPF as per section 124 of the Act and the applicable rules. The details of the unclaimed dividends and the underlying shares that are liable to be transferred to IEPF are also available at the Company's website – www.asianstargroup.com. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form IEPF 5 available on www.iepf.gov.in

18. Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to the Company's RTA. The requisite NECS /ECS application form can be obtained from the Company's RTA. Alternatively, Members may provide details of their bank account quoting their folio numbers, to the Company's RTA to enable them to print such details on the dividend warrants.
19. As a part of the green initiatives, the Members who have not yet registered their E-mail addresses are requested to register their E-mail addresses with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/ RTA will be sent to the registered E-mail address.
20. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents or to their respective Depository Participant ("DP") in case the shares are held in dematerialised form.
21. The members / investors may send their complaints/ queries, if any to the Company's RTA at jibu@bigsharesonline.com or to the Company at secretarial@asianstargroup.com.

Annexure 1

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

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), read with General Circular numbers 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 and 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs (MCA) Secretarial Standard on General Meetings (SS-2) issued by Institute of Company Secretaries of India, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL. The facility for voting through poll paper shall also be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Yogesh D. Dabholkar, Practicing Company Secretary (CP No.: 6752) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company and make within 48 hours of the conclusion of the meeting a consolidated scrutinizer's report of the votes cast in favour or against, to the Chairman or to any Director or any person authorized by the Chairman for this purpose, who shall countersign the same.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 27th September, 2020 at 9.00 A.M and end at 29th September, 2020 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

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

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

I. Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

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

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

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to yddcsecretarial@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Mrs. Soni Singh, Assistant Manager or Mr. Anubhav Saxena, Assistant Manager at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@asianstargroup.com
In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@asianstargroup.com

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

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

Place: Mumbai

Date: July 30, 2020

By Order of the Board

Registered Office:

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

Sd.

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

ANNEXURE 2: STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 5**

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions ("RPT") exceed such sum as specified in the rules.

As the present and proposed transactions is likely to exceed the threshold as prescribed in the rules therefore the approval of shareholders is sought for the following related party transactions:

Sr. No.	Name of related party & Nature of relationship	Nature of the contract/ arrangement/ transaction	Particulars/ Material Terms of the Contract / arrangement / transaction	Estimated Value of Transaction (Rs. In Crores)
1.	Shah Manufacturers (Enterprise under common control of Key Managerial Personnel)	Contract for processing of Diamonds	Credit period: 0-90 days	200.00
2.	Jewel Art (Unit – II) (Enterprise under common control of Key Managerial Personnel)	Sale of diamonds	Credit period: 0-180 days	25.00
3.	Gemasia B.V.B.A. (Relative of Director)	Sale of diamonds	Credit period: 0-180 days	125.00
4.	A.M. Exports (Relative of Director)	Sale of diamonds	Credit period: 0-180 days	15.00
5.	Gemasia B.V.B.A. (Relative of Director)	Purchase of diamonds	Credit period: 0-180 days	25.00
6.	A.M. Exports (Relative of Director)	Purchase of diamonds	Credit period: 0-180 days	50.00
7.	Directors	Rent paid to Directors	Credit period: 0-30 days	00.05
8.	Directors	Loan from Directors	-	100.00
9.	Directors	Interest on Loan from Directors	-	05.00
10.	Directors / Relative of Directors	Sale / purchase to / from of jewellery / services	-	25.00

Duration of Transactions: Ongoing

In accordance with recommendation of Audit Committee, the Board of Directors of the Company at their meeting held on July 30, 2020 passed the above resolution, it is proposed seek approval of the members of the Company through an Ordinary resolution for the above transactions and the related parties shall be abstained from voting on the resolution as set out at Item No. 5.

None of the Directors, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his/ her respective shareholding, if any, in the Company, in the resolution set out in item no. 5 of the Notice.

ITEM NO. 6

The Board of Directors of the Company ("the Board"), at its meeting held on July 30, 2020 has, subject to approval of members, re-appointed Mr. Vipul P. Shah (DIN: 00004746) as Chief Executive Officer and Managing Director, designated as Executive Director, for a period of 5 (five) years, i.e., with effect from January 1, 2021, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee.

Members' approval is sought for the re-appointment of and remuneration payable to Mr. Vipul P. Shah as Chief Executive Officer and Managing Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

- a) Period of appointment: From January 1, 2021 to December 31, 2025.
- b) Salary: Rs. 1, 75,00,000/- (Rupees One Crore Seventy Five Lacs Only) per annum.
- c) Perquisites and benefits as per Schedule V of the Act.
- d) Powers and duties as per the provisions of the Articles of Association of the Company.

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

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval by the Members.

Except Mr. Vipul P. Shah or their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

ITEM NO. 7

The Board of Directors of the Company ("the Board"), at its meeting held on July 30, 2020 has, subject to approval of members, re-appointed Mr. Arvind T. Shah (DIN: 00004720) as a Whole-time Director, designated as Executive Director, for a period of 5 (five) years, i.e., with effect from January 1, 2021, whose period of office shall be liable to determination by retirement of Directors by rotation, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee.

Members' approval is sought for the re-appointment of and remuneration payable to Mr. Arvind T. Shah as a Whole-time Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Arvind T. Shah are as under:

- a) Period of appointment: From January 1, 2021 to December 31, 2025.
- b) Salary: Rs. 1,25,00,000/- (Rupees One Crore Twenty Five Lacs only) per annum.
- c) Perquisites and benefits as per Schedule V of the Act.
- d) Powers and duties as per the provisions of the Articles of Association of the Company.

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

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

Except Mr. Arvind T. Shah or their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

Item no. 8:

The Board of Directors of the Company ("the Board"), at its meeting held on July 30, 2020 has, subject to approval of members, re-appointed Mr. Priyanshu A. Shah (DIN: 00004759) as a Whole-time Director, designated as Executive Director, for a period of 5 (five) years, i.e., with effect from January 1, 2021, whose period of office shall be liable to determination by retirement of Directors by rotation, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee.

Members' approval is sought for the re-appointment of and remuneration payable to Mr. Priyanshu A. Shah as a Whole-time Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Priyanshu A. Shah are as under:

- a) Period of appointment: From January 1, 2021 to December 31, 2025.
- b) Salary: Rs. 1,00,00,000/- (Rupees One Crore Only) per annum.
- c) Perquisites and benefits as per Schedule V of the Act.
- d) Powers and duties as per the provisions of the Articles of Association of the Company.

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

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Members.

Except Mr. Priyanshu A. Shah or their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

ITEM NO. 9

Pursuant to the recommendation of the Nomination and Remuneration (NRC) Committee in its meeting held on 13th November, 2019, the Board of Directors ("the Board"), in its meeting held on same day appointed Mr. Jayantilal D. Parmar as an Additional Director in the category of Non-Executive Independent Director w.e.f 13th November, 2019 under Sections 161 and 149 of the Companies Act, 2013 ("the Act") read with regulation 17 of SEBI (LODR) Regulation, 2015. In terms of Section 161(1) of the Act, an Additional Director shall hold office upto the date of this Annual General Meeting.

Considering his knowledge, skills and experience, the Board of Directors, has recommended/approved the appointment of Mr. Jayantilal D. Parmar as an Independent Director of the Company for a term of five years from 13th November, 2019 to 12th November, 2024 on such terms and conditions including remuneration by way of fee for attending meetings of the Board or Committees, reimbursement of the expenses for participating in the Board and other meetings and profit related commission determined/to be determined by the Board, within the limits as previously approved by the shareholders regarding payment of remuneration to non-executive directors. The Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the appointment as an Independent Director of the Company.

The Company has received consent in writing from him to act as Director in of the Company DIR-2 and a declaration that he is not disqualified to act as Director under Section 164(2) of the Act in Form DIR-8 and meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, Mr. Jayantilal D. Parmar fulfils the conditions specified in the Act/Regulations and she is independent of the management. The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for the approval of the members.

The brief profile, specific areas of his expertise and other information as required under SEBI (LODR) Regulations, 2015, is provided at the end of the notice. The terms and conditions of appointment of Director would be available for electronic inspection between 11.00 A.M. and 1.00 P.M. (IST) on all working day of the Company, except holiday, upto the date of next Annual General Meeting. Members seeking to inspect such document can send an E-mail to secretarial@asianstargroup.com

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the Members.

Except Mr. Jayantilal D. Parmar or their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

ITEM NO. 10

As per Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds' 5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

At present, on the Board of Directors of the Company, there are four executive directors who are promoters. They are Mr. Vipul P. Shah, Managing Director & CEO, Mr. Arvind T. Shah, Whole-time Director and Mr. Priyanshu A. Shah, Whole-time Director. The shareholders have approved remuneration payable to them within the limits as prescribed at that time as per Companies Act, 2013, while approving their appointment which is in excess of 2.5% of the net profits of the Company, individually and more than 5% of the net profits of the Company in aggregate. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Directors including remuneration payable to them till the expiry of their respective term, in order to comply with the above mentioned Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

The Board approved the above proposal at their meeting after considering the valuable contributions of Mr. Vipul P. Shah, Mr. Arvind T. Shah, Mr. Priyanshu A. Shah in the growth of the Company and remuneration prevalent for the similar positions in the companies of the like size.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the Members.

Except Mr. Vipul P. Shah, Mr. Arvind T. Shah and Mr. Priyanshu A. Shah or their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

Place: Mumbai

Date: July 30, 2020

By Order of the Board

Registered Office:

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

Sd.

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

Details of Directors seeking appointment/re-appointment at the AGM

Name of Director	Mr. Vipul P. Shah	Mr. Arvind T. Shah	Mr. Priyanshu A. Shah	Mr. Jayantilal D. Parmar
DIN	00004746	00004720	00004759	07440353
Date of Birth	September 23, 1967	March 27, 1947	May 14, 1981	January 14, 1956
Date of first appointment on the Board	March 7, 1995	March 7, 1995	November 1, 2004	November 13, 2019
Expertise in specific functional areas	Banking & Treasury Operations, Rough Procurement	Rough Manufacturing, Factory/Job Work Supervision	Jewellery Operations	International Business, Credit & Banking Operations.
Qualifications	B. Com	B. Tech	B. Com, A Certified Gemologist from G.I.A., New York.	B.Com, CAIIB, Post Graduate in Industrial Relations & Personnel Management.
Other Indian Companies in which Directorship held as on March 31, 2020	<ul style="list-style-type: none"> • Asian Star Diamonds International Private Limited • Asian Star Infotech Private Limited • Diamond Exporters Association Limited. • Samruddha Gram Vikas Foundation 	<ul style="list-style-type: none"> • Asian Star Diamonds International Private Limited • Asian Star Infotech Private Limited • Samruddha Gram Vikas Foundation • Paresh K Mehta Investment Private Limited 	<ul style="list-style-type: none"> • Asian Star Infotech Private Limited • Samruddha Gram Vikas Foundation 	NIL
Chairperson/ Member of the Mandatory Committees of the Board of the Companies on which he/she is a Director as on March 31, 2020	NIL	NIL	NIL	NIL
No. of shares held in the Company	40,00,050 Equity Shares	15,84,450 Equity Shares	12,15,450 Equity Shares	NIL

Details of Directors seeking appointment/re-appointment at the AGM

Name of Director	Mr. Dinesh T. Shah	Mr. Dharmesh D. Shah
DIN	00004685	00004704
Date of Birth	January 16, 1940	October 10, 1965
Date of first appointment on the Board	March 7, 1995	March 7, 1995
Expertise in specific functional areas	Leadership, Production, Strategic Planning, Operational Experience.	Global Business, Research and Development, Sales and Marketing
Qualifications	B. Sc.	B. Com
Other Indian Companies in which Directorship held as on March 31, 2020	<ul style="list-style-type: none"> • Asian Star Jewels Private Limited. • Samruddha Gram Vikas Foundation 	<ul style="list-style-type: none"> • Asian Star Infotech Private Limited • Samruddha Gram Vikas Foundation
Chairperson/ Member of the Mandatory Committees of the Board of the Companies on which he/she is a Director as on March 31, 2020	NIL	NIL
No. of shares held in the Company	10,00,050 Equity Shares	11,50,000 Equity Shares

Place: Mumbai
Date: July 30, 2020

By Order of the Board

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

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

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HOPE

ASIAN STAR COMPANY LIMITED
26TH ANNUAL REPORT 2019-2020

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An unprecedented global pandemic forced the entire world into a lockdown, in the last quarter of this financial year.

Offices and factories were temporarily shut down, as were schools and colleges, institutions, places of worship and transport.

Lives paused abruptly and the world almost came to a standstill.

The Covid -19 crisis disrupted lives across the world in an unimaginable way, and cast a dark shadow on the future.

And yet, amidst this disruption, despair and darkness, there was light...

...in every doctor and nurse, in every public utility employee, in every emergency service worker and in every vendor, who worked selflessly and tirelessly to provide and protect us during the lockdown.

...in every firm resolve, in every resolute step and in every progressive plan taken by governments all across the world to overcome this crisis.

This was the light of positivity, the light of optimism, the light of hope.

And a flicker of light is all it takes to dispel darkness and renew hope.

At Asian Star, we dedicate this Annual Report to HOPE.

Hope of life returning to normal.

Hope of enjoying the small, everyday pleasures of life.

Hope of never-again taking things for granted.

Hope of a brighter, cheerful world that has defeated this ugly menace and bounced back stronger than ever before.

**Hope is being able to see that there is light despite all of the darkness.
~ Desmond Tutu**

HOPE

2019-20 AT A GLANCE

CONSOLIDATED FINANCIAL HIGHLIGHTS



TURNOVER
Rs. 305,294
LACS



EBITDA
Rs. 10,947
LACS



PAT
Rs. 6,340
LACS



EPS
Rs. 40
PER SHARE



BOOK VALUE
Rs. 728
PER SHARE

CONSOLIDATED SEGMENT WISE REVENUE



DIAMONDS
Rs. 239,448
LACS



JEWELLERY
Rs. 65,332
LACS



POWER
Rs. 514
LACS

	2019-20	2018-19	2017-18
<div>3</div> <div>YEARS</div> <div>CONSOLIDATED</div> <div>FINANCIAL</div> <div>PERFORMANCE</div>	TURNOVER	305,294	364,219
	- DIAMONDS	239,448	304,177
	- JEWELLERY	65,332	59,439
	- POWER	514	603
	EBITDA	10,947	18,851
	PAT	6,340	11,493
	EPS (IN Rs.)	40	72
	BOOK VALUE (IN Rs.)	728	672

(Rs. IN LACS)

3

Awards won by our expert designers at The Artisan Jewellery Design Awards 2020.

10

Double-digit growth (%) in jewellery revenue in spite of a weak market, especially in the last quarter of the financial year.

322

Rank in Dun & Bradstreet's Top 500 Companies in 2020, reflecting robust financials and strong growth prospects.

1140

Market Capitalisation as on 31st March 2020 (Rs. in crore).

LISTING ON THE BSE

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

CEO'S MESSAGE



“As we gear up to embrace the opportunities and challenges in a post-Covid world, there is just one word that gives us the courage and conviction, faith and belief as well as strength and optimism – HOPE.”

- Vipul P. Shah

DEAR SHAREHOLDERS,

It is my privilege to present to you the Annual Report of Asian Star Company Limited for the year 2019-20.

The year gone by was a challenging one with the added backdrop of heightened economic uncertainty. Continued anxiety emanating from US - China trade war, Brexit related concerns and overall geopolitical tensions led to subdued global economic growth with dampening investor confidence and sentiments. The outbreak of Covid-19 pandemic further aggravated an already difficult situation.

The Indian Gems and Jewellery Industry has been facing rough headwinds since the last few years. Banks reduced their exposure to the industry which affected the working capital management and regular operations. The Covid-19 pandemic further dimmed the prospects of gems and jewellery market, which was already under pressure with the slowdown in the global economy. The outbreak led to stalling of manufacturing and trading activities, cancellation of business events, deferment of committed orders, and reduced demand. Given the global crisis situation and restrictions on trade and travel, exports of gems and jewellery took a severe hit in the last quarter.

During the year, India's gross exports of gems and jewellery stood at USD 36 billion, as compared to USD 40 billion in the previous year. Exports of cut and polished diamonds declined 21.4% to USD 18.7 billion from USD 23.8 billion in the previous year. Gold jewellery exports stood at USD 11.99 billion as against USD 11.78 billion in 2018-19, registering a moderate growth of 1.8%.

These strong and severe macro headwinds, both in the economy as well as within the industry, impacted our performance too.

Our Consolidated Turnover for the year stood at Rs. 3,052.94 crore, as compared to Rs. 3,642.19 crore in the previous year. PBT for the year dropped to Rs. 77.61 crore as against Rs. 136.90 crore achieved in the previous year. Nevertheless, the performance of our jewellery division was the bright beacon on the horizon. Our efforts in strengthening the foundation of our jewellery business over the past few years have paid off well. In spite of a rough year, our jewellery business has grown substantially; revenue stood at

Rs. 653.32 crore as against Rs. 594.39 crore in 2018-19, registering a healthy growth of 9.9%. Our domestic sales are solid and jewellery exports to the US and Europe have been witnessing an upward trend. What gives us an edge is our market relevant designs and value additions, stringent adherence to quality, and customer-centric service teams.

While the weather was rough during the year, Asian Star has always endured rough weather and emerged stronger. At Asian Star, we have always stayed true to our values, integrity, and ethics, while focusing on our brand commitment of quality and reliability. Troughs and peaks are part of business cycles. Our focus on sustaining our unique business competencies, fiscal prudence, lasting relationships as well as our people policies gives us an edge in the marketplace. It is this simple philosophy of purpose and principles that has enabled us to navigate through similar rough seas in the past.

Amidst these trying times, we continue to believe in the power of HOPE. We remain confident and hope that winds of change will soon usher in bright and cheerful days.

As the world gradually fights the Covid-19 pandemic and starts its determined march to recovery, we would like to pay our sincere tribute to all the frontline workers and medical staff for their dedicated service. Our deep condolences are also with the millions across the world who have lost their loved ones in the pandemic. As we gear up to embrace the opportunities and challenges in a post-Covid world, there is just one word that gives us the courage and conviction, faith and belief as well as strength and optimism – HOPE.

Thank you for your support and cooperation.

Yours sincerely,

Vipul P. Shah
CEO & Managing Director

WE ARE, THE ASIAN STAR GROUP

From humble beginnings in 1971 with a small cutting and polishing unit at Surat, today we are amongst the leading diamond manufacturing companies with nearly 50 years of experience. Our public listing on the Bombay Stock Exchange in 1996 made us one of the first and few listed companies in the Indian diamond and jewellery space.

With a non-stop focus on learning and development and non-negotiable adherence to values and purpose, Asian Star has expanded vertically as well as horizontally. We have a vertically integrated business model encompassing ethical sourcing from top mining companies, in-house diamond and jewellery manufacturing, highly skilled jewellery design teams who are exposed to global jewellery trends and a global marketing network connecting to top retail brands.

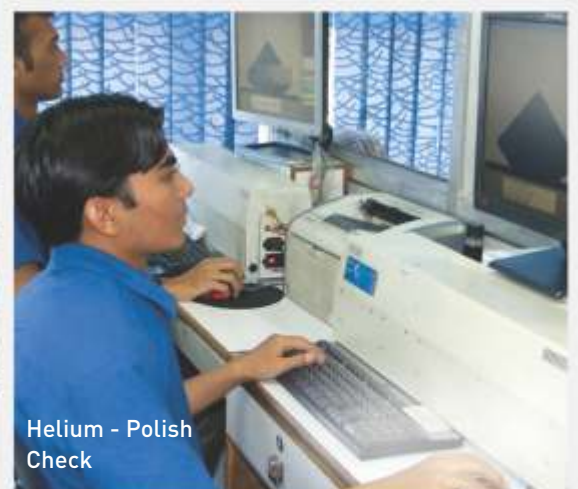
Our unique business competencies have stood strong over the years in the face of numerous market upheavals, enabling us to unfailingly emerge stronger and more relevant to changing market needs.



SURAT
(Diamond Cutting & Polishing)



Polishing



Helium - Polish
Check



WE BELIEVE IN ADDING VALUE - FROM PROCUREMENT TO RETAIL

- Procurement of rough diamonds from top mining companies, namely ALROSA, DE BEERS and DOMINION DIAMOND.
- Cutting and polishing unit at Surat covering 1,00,000 sq. ft., with over 900 employees.
- Three jewellery manufacturing units at Mumbai and Hosur covering 50,000 sq. ft.
- Presence across the globe at key diamond centres through 21 marketing arms, including three subsidiaries.
- Bespoke retailing with our couture jewellery boutique at Mumbai.



WE BELONG
2000 EMPLOYEES

WE EXCEL AT OUR BUSINESS

CUTTING AND POLISHING

We have state-of-the-art cutting and polishing unit located at Surat, equipped with the latest equipment and manned by top-rate craftsmen. At the heart of our cutting and polishing is our consistency in delivering quality which has endeared us to leading diamond jewellery manufacturers and retailers all over the world. The Asian Star cut as well as our EX-EX-EX Hearts & Arrows cut and other proprietary customised cuts are today benchmarks in the industry.

DIAMOND JEWELLERY MANUFACTURING

We progressively built upon our core business of cutting and polishing of diamonds by adding diamond jewellery manufacturing to our capabilities. Complete with in-house designing and merchandising teams, we have emerged as a supplier of choice to leading jewellery brands and retail chains the world over. We have established our niche in the popular segment of bridal and fashion diamond jewellery. Large-scale manufacturing capacity gives us the mass-production edge while, at the same time, our expert craftsmen are able to deliver highly bespoke and customised jewellery to customers.

JEWELLERY RETAILING

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

POWER

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



WE ARE ESTABLISHED WORLDWIDE

The Asian Star Group is recognised in most diamond markets through our 21 marketing arms and subsidiaries. We have an established presence at all levels of the diamond supply chain; at top diamond procurement centres like Antwerp and Dubai, manufacturing hubs like India and Southeast Asia, and key consumer markets like the US, Europe, China and India.



WE VALUE

- Highest standards of Corporate Governance
- Zero-tolerance policy towards conflict diamonds
- Strict financial discipline and prudence
- High emphasis on transparency and accountability
- Sensitivity to employee welfare and well-being

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



K. MOHANRAM PAI
DIRECTOR

Mr. K. Mohanram Pai is BA and CAIIB. He has rich and varied experience in the banking industry. He has held offices as Executive 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.



JAYANTILAL D. PARMAR
DIRECTOR

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



APURVA R. SHAH
DIRECTOR

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



MIYAR R. NAYAK
DIRECTOR

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



MILIND H. GANDHI
DIRECTOR

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



NEHA R. GADA
DIRECTOR

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

MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global Economy

The contraction in global economy witnessed in the second half of 2018 continued in 2019. As per the International Monetary Fund (IMF), the global economy registered a decline in growth at 2.9% in 2019, as compared to 3.6% in 2018. Primary factors responsible for the subdued growth include elevated trade barriers, Brexit related concerns, geopolitical tensions, and macroeconomic strain across several emerging economies. Despite the headwinds, the beginning of 2020 witnessed some key positives, which included United States (US)-China trade negotiations, a successful Brexit and continued monetary easing. A notable shift towards monetary policy accommodation negated the impact of trade tensions and uplifted the financial market sentiment and activity.

Across advanced economies, the weakening has been broad based affecting major economies such as the United States, and especially, the euro area, and smaller Asian advanced economies. Growth remained softer at 1.7% in 2019 vis-à-vis 2.2% in 2018. For the United States, trade related uncertainty had negative effects on investment and business sentiment, which led to a growth of 2.3% as against 2.9% in 2018. Euro area recorded a growth of 1.2%, as compared to 1.9% in 2018.

Emerging Market and Developing Economies (EMDEs) grew at 3.7% in 2019 as against 4.5% in 2018. Growth in China weakened to 6.1% from 6.7% in the previous year as macroeconomic consequences of increased trade tensions took a toll on domestic demand and investment. Policy uncertainties and worsening financial conditions softened the growth momentum across other large emerging market economies including Brazil, Mexico, Russia, among others. Prospects for Middle East and Central Asia remained subdued due to heightened geopolitical tensions and social unrest.

Ripple effects of COVID-19

The unexpected and untimely outbreak of novel coronavirus (COVID-19) in the first quarter of 2020 has brought global activities and economy to a standstill and plunged the world into an unprecedented health crisis disrupting global economy. Protecting lives and boosting healthcare systems resulted in isolation, lockdowns, and widespread closures to contain the spread of the virus. The vulnerability of major economies, particularly developing ones, has increased as economic activities and supply chains are disrupted, combined with adverse effects on financial markets.

As a result of the pandemic, global economy is expected to contract by 4.9% in 2020, much worse than the financial crisis a decade ago. Growth across advanced economy group is projected

at -8% in 2020, while emerging market and developing economies is expected to contract by 3% in 2020. A series of stimulus packages have been put in place by major economies and financial institutions to limit the economic fallout. Growth is, however, expected to recover to 5.4% in 2021 with normalisation of economic activity helped by policy support.

Indian Economy

India recorded a Gross Domestic Product (GDP) growth of 4.2% in FY 2019-20, much lower than the 6.1% growth clocked in FY 2018-19. Global economic slowdown, weakening demand and private investment and liquidity constraints are the major contributors to the deceleration in growth. Despite the headwinds, India achieved a rank of 63, moving up 14 notches in the World Bank's Ease of Doing Business Index 2020. Key reforms enforced by the government, including Goods and Services Tax (GST), Insolvency and Bankruptcy Code (IBC), Foreign Direct Investment (FDI) liberalisation, among others, have amplified the fundamentals of the Indian economy.

The government continues to take bold initiatives towards becoming the targeted USD 5 trillion economy by 2024. Recent measures such as corporate tax rate cuts, front-loaded infrastructure investment programmes, and bank recapitalisation are likely to drive growth. Further, the Union Budget 2020-21 emphasized on strengthening the country's infrastructure and manufacturing, boosting the rural economy and stimulating consumption and job creation. Particularly, the National Infrastructure Pipeline with attractive allocations of Rs. 102 lakh crore and an ambitious infrastructure roadmap will boost hopes of investment pickup and further economic expansion. Reduced tax rates for individuals will put more disposable money in the hands of taxpayers and propel consumption.

COVID-19 Impact and Outlook

The COVID-19 pandemic has led to significant growth downgrades for the Indian economy in the coming year, owing to fall in consumer spending and investment due to the nationwide lockdown and disruption in economic activities. IMF has pegged growth at 4.5% for FY 2020-21 with potential downsides. The growing spread of the virus, social distancing measures and fears among consumers and businesses have escalated sharply in India. Strict containment measures have brought the country's manufacturing and service sectors to a grinding halt and disrupted supply chains.

Nonetheless, policymakers have been proactively implementing fiscal and monetary measures to support affected households and businesses. These actions will help counteract the economic damage as the pandemic abates and containment measures are

lifted. The government announced a stimulus package of Rs. 1.7 trillion, primarily for households and farmers to help them deal with the rising challenges. Further, a mammoth Rs. 20 lakh crore special economic and comprehensive package, equivalent to 10% of India's GDP, under the 'Atmanirbhar Bharat Abhiyan' was announced to help the economy tide over the crisis.

On the monetary side, the Reserve Bank of India (RBI) reduced the policy rate by 75 basis points (bps) to 4.4% from 5.15% in March 2020 to maintain financial stability and revive growth. In addition, it allowed commercial banks and non-bank finance companies to offer their customers a three-month moratorium on payment of instalments on their loans. With all these support measures, growth is expected to rebound sharply to 6% in FY 2021-22, as per IMF estimates.

INDUSTRY OVERVIEW

Global Gems and Jewellery Industry

Global diamond jewellery retail sales fell sharply in 2019 with the decline being driven by two largest markets- the US and China. In the US, the downturn is attributed to shrinking consumer confidence; decline in Chinese tourists; and tariff on Chinese jewellery. Demand in China was impacted due to significantly lower sales in Hong Kong amid social unrest; and subdued consumer sentiment stemming from trade tensions. Growth in Europe was negatively affected by socio-political turmoil in the UK and France; however, this was partially offset by higher tourism spending in the eurozone.

2020 started well for the diamond industry on the back of improved consumer sentiment across key markets for diamond jewellery, recovery in prices for polished diamonds, and healthy sales growth in the first quarter. However, the outbreak of Covid-19 led to a substantial fall in jewellery demand from the Chinese market. The initial spread of the virus in China and ensuing quarantine measures resulted in a shutdown of jewellery stores across the country. As the virus spread to other parts of the world, measures like global travel restrictions, lockdown and social distancing norms have been impacting the demand and sales of diamond jewellery. The outbreak has also led to a drastic fall in gold jewellery purchases as the environment has severely impacted sentiments and celebrations. Further, diamond production is likely to get affected in 2020 due to operating restrictions and deteriorating economic conditions worldwide.

Given the projected global recession, growth of the global gems and jewellery industry will be affected; however, long-term jewellery consumption will remain strong. Factors such as expanding urbanisation, changing lifestyles, growing e-commerce sales, increasing presence of organised retail channels, technology advancement and rising premium product launches are likely to drive growth. In the US, demand will

remain steady; however, dissipating fiscal stimulus and rising recession fears may drag growth in 2020. Demand is poised to increase in China following a de-escalation in US-China trade conflict and spurt in consumption. In India, rising middle-income level consumers, coupled with higher purchasing power and evolving fashion trends is expected to boost demand post COVID-19.

Indian Gems and Jewellery Industry

The gems and jewellery industry plays a vital role in the Indian economy and contributes a major chunk to the total foreign reserves of the country. The sector contributes around 7% to India's GDP and 15% to the total merchandise exports. One of the fastest growing sectors, it is extremely export oriented and labour intensive. The industry, one of the largest in the world, currently employs 4.6 million people and is expected to be providing employment to over 8.2 million people by 2022.

Gems and jewellery exports declined 10% to USD 35.3 bn in F.Y. 2019-20. Decline in exports is attributable to domestic as well as global challenges including the rise in import duty on cut and polished diamonds and gemstones, tightening of lending by banks, sluggish import demand in advanced nations, US-China tariff wars, withdrawal of Generalised System of Preferences (GSP) by the US, among others. UAE, US, and Hong Kong continue to be the biggest export destinations of the Indian gems and jewellery.

COVID-19 Impact

The coronavirus outbreak, initially in China, and thereafter to the rest of the world, has posed fresh challenges for the Indian gems and jewellery industry. The outbreak has led to stalling of manufacturing and trading activities, cancellation of business events, deferment of committed orders, and reduced demand in the sector. Exports of gems and jewellery is expected to take a severe hit given the prevalence of the global emergence situation and widespread worldwide restrictions on travel and trade.

Further, stringent containment efforts and nationwide lockdown in India has dampened consumer sentiment and resulted in lower discretionary spending, which is seen impacting the jewellery market. However, the Gems and Jewellery Export Promotion Council (GJEPC) has been enforcing numerous steps to mitigate the impact of the crisis on the sector. In addition, it has been approaching the government with a series of recommendations that will further assist the industry in tackling the global challenges.

Cut and Polished Diamonds

India has emerged as the world's largest cutting and polishing centre for diamonds, with 75% of the world's polished diamonds exported from the country. India's diamond industry has been a

pioneer in gems and jewellery, with the country being a world leader in manufacturing of cut and refined diamonds. Today, 14 out of every 15 diamonds sold in the world are processed in India. The country's share in global diamond market stands at 65% in value terms and 85% in volume terms. India's cost competitiveness, highly skilled talent pool, and use of modern technologies gives the country a distinctive edge. This is further supplemented by its unique geographic location, which makes it an ideal one-stop sourcing centre for overseas buyers. As per GJEPC, exports of cut and polished diamonds stood at USD 18.7 bn in F.Y. 2019-20 as against USD 23.8 bn in F.Y. 2018-19.

Jewellery

The industry is home to more than 3 lakh gems and jewellery manufacturers, a majority of them being small players. India is steadily becoming a fast-growing hub for global jewellery market with the government's sharp focus on establishing the nation as a leading exporter of gold and diamond jewellery. India's leading export destinations for gems and jewellery have been the US, Europe, Japan, and China, with the US accounting for nearly one-fourth of the country's total exports.

The US is the largest consumer of diamonds and jewellery globally. Exports from India to the US, however, fell about 8% in current financial year. Decline in exports was mainly due to the global economic slowdown, which got aggravated with the COVID-19 crisis. Spread of COVID-19 across the globe not only pulled down the consumer sentiment to its lowest, but has also affected global supply chains and demand for jewellery.

Nonetheless, the long-term prospects of the domestic jewellery market remain dynamic. The sector has been witnessing changes in consumer preferences due to adoption of western lifestyles and growing demand for new designs and varieties in jewellery. Given the favourable demographics and greater spending propensity in India, a larger number of people are today preferring branded jewellery. Increasing penetration of organised jewellers implies exclusive collection of pioneering and authentic products. Further, rising quality consciousness among consumers is also providing a fillip to the organised segment. The organised retailers are banking on their reliability and quality in addition to higher spends on branding and marketing to grow their market share and compete against the highly fragmented unorganised jewellers.

Outlook

Global recessionary conditions, increased volatility in oil prices, geopolitical tensions in the Middle East, and now the outbreak of coronavirus pandemic, are likely to impact the industry performance. Growing fears of the virus' spread have resulted in stringent lockdowns across the world, which have resulted in cancellations and delay of orders and shipments, no footfalls at

the stores, and subdued consumer sentiments. Growth is, however, expected to recover with resumption in economic activity as the pandemic subsides and lockdowns are lifted.

On the positive side, the GJEPC has initiated multiple steps to support the industry amidst the global crisis. These include setting up of Rs. 50 crore corpus towards welfare, liaising with trade bodies and organisations, and conducting virtual B2B meets between buyers and sellers of gems and jewellery products. In addition, relief measures sought such as customs duty reduction, additional interest subvention, extension of loan maturity and interest payment, among others, will enable the industry to tide over the challenges and trade smoothly.

Further, government's favourable policy initiatives will go a long way in boosting economic growth and propel jewellery consumption. Measures such as tax rebates for the middle class and farmers, corporate tax cuts, reduction in GST rates for job work services in gems and jewellery, will augur well for the sector. The government has identified the sector as a key focus area for export promotion. Recognising its enormous contribution to the economic development, the government has been undertaking proactive steps to uplift exports and investments, enhance skill development and technology, and increase employment opportunities.

Going ahead, revival in economic environment and growing presence of organised and established brands will propel industry growth. Growing consciousness of branded jewellery, increasing purchasing power in Tier II and III cities, and rising preference for diamond jewellery are expected to push the gems and jewellery industry in the long-term. Online sales are expected to account for 1% to 2% of the fine jewellery market by 2021-22, driven by increasing internet penetration, greater convenience, and easy availability of affordable jewellery.

COMPANY OVERVIEW

Established in 1971, Asian Star Company Limited is amongst the world's leading and most renowned diamond manufacturing companies. Headquartered in India, the Company has emerged as one of the largest diamantaires with vertically integrated operations spanning across the entire value chain, from rough sourcing to diamond cutting and polishing to jewellery manufacturing and retailing.

The Company has a well-entrenched global presence and an extensive marketing network in the major diamond trading and consuming cities of the world, which include Chicago, New York, Antwerp, Dubai, Shanghai, Hong Kong, Bangkok, and Singapore. Within a span of over four decades, the Company has cemented its reputation as one of the most trusted diamond companies. Underpinning its operations are a robust infrastructure, highly

skilled personnel, and dedicated R&D team, which enables the Company to deliver finest quality diamonds and jewellery. The Company has an arrangement of direct supply of rough diamonds from the leading global mining companies. In addition, it has become a preferred manufacturer of the world's leading retail brands, which is a testament to its high-quality products, expert craftsmanship, and supply reliability.

Manufacturing Facility for Polished Diamond

The Company has a world-class, state-of-the-art diamond cutting and polishing facility located in Surat, Gujarat. Spread across 1 lakh sq. ft, this unit is equipped with latest equipment and technology and provides employment to over 900 skilled artisans. The production team has vast expertise and experience accumulated over four decades, and is competent to address the complexities of diamond cutting to achieve optimal yield and deliver outstanding value to the client. Owing to consistency in quality and cut, the Company's diamonds are globally renowned as "Asian Star Make".

Its loose polished portfolio consists of round brilliant diamonds in all colours and clarities up to 5 carats in fine makes, generic fancy shapes, EX-EX-EX Hearts & Arrows cut, proprietary diamond cuts and Forevermark diamonds.

Manufacturing Facility for Jewellery

Jewellery manufacturing business of the Company is complemented by its three in-house manufacturing facilities - two located at SEEPZ and MIDC in Mumbai; and one at Hosur in Tamil Nadu. The manufacturing units are spread across a combined area of 50,000 sq. ft. and are equipped with an aggregate production capacity of 7.5 lakh pieces a year. Backed by its skilled designing and merchandising teams, the Company has emerged as a preferred supplier to leading jewellery brands and retail chains worldwide.

While the facility at SEEPZ serves exclusively to the international markets, the units situated at MIDC and Hosur caters to domestic markets. Large-scale manufacturing, robust expertise, passionate team of designers and skilled artisans, and expert craftsmanship facilitates production of bespoke and spectacular jewellery. Moreover, the Company's lean manufacturing processes minimises production cycle and ensures delivery of highest quality products at competitive prices.

Distribution

The Company's healthy relationships with world's leading retailers and brands and focus on offering best technical and marketing services has enabled it to create a strong presence across prime trading and consuming centres in Asia, Europe, and America. In addition, it provides differentiated services such as specialised quality control programme access to extensive design bank and design customisation as per market

requirements. Further, the Company has access to information on latest market updates and global design trends, which enables it to better serve its customers and deliver unique products.

Retail

The Company has a spacious and luxurious couture diamond boutique, catering exclusively to high net worth individuals (HNIs) in the niche jewellery retailing segment. This showroom houses an exclusive range of pret diamond jewellery. For special occasions, it also undertakes customised orders with jewellery design consultations to suit the evolving customer preferences. The Company also hosts "Rendezvous Luxe", its annual luxury event and a couture diamond jewellery extravaganza for Mumbai's elite to showcase its exquisite diamond jewellery. The design conceptualisation for its collections is thematic and inspired from varied sources such as nature, art, and history.

FINANCIAL OVERVIEW

F.Y. 2019-20 was yet another challenging year for the industry. Improved sentiment during the last quarter of F.Y. 2018-19 did not last long amidst trade war between USA and China, geopolitical tensions and falling demand from Euro zone and Middle East. The Company's total income from operations at consolidated levels stood at Rs. 3,052.94 crores in F.Y. 2019-20 as against Rs. 3,642.19 crores in F.Y. 2018-19. Besides the reasons mentioned above, disruption of economic activities due to the outbreak of COVID-19 in China and its rapid spread in across the globe in the later part of the fiscal year led to this fall in the revenue. The diamond business reported a top line of Rs. 2,394.48 crores in F.Y. 2019-20, down by 21% from Rs. 3,041.77 crores in F.Y. 2018-19, primarily led by slow down in trading activities at UAE subsidiary. The Company's constant endeavour to focus on jewellery business has been yielding results with jewellery sales growing by 10% to Rs. 653.31 crores in F.Y. 2019-20 from Rs. 594.39 crores in F.Y. 2018-19 Consolidated PAT (excluding other income, exceptional items and comprehensive income) stood at Rs. 67.21 crores in F.Y. 2019-20 from Rs. 114.74 crores in F.Y. 2018-19. The consolidated net worth of the Company stood at Rs. 1,163 crores at the end of the year under review.

OPPORTUNITIES

Promising Domestic Demand in Tier I and Tier II Towns

Growing domestic demand for jewellery over past few years is a combination of multiple factors including rapid urbanisation of Tier I and Tier II towns, favourable demographics, greater spending power, higher affluence, and evolving consumer choices. Smaller towns and rural India has been relatively less impacted with COVID-19 and with lots of relaxations in place under unlocking phase, they are expected to return to normalcy

much faster than the metro cities. With normal monsoon, better agricultural output with rising support prices, governments thrust on agricultural reforms rural India is presenting opportunities like never before. All these augurs well for jewellery demand in this sector.

Attractive Opportunities

Simmering US-China tensions have been forcing many global jewellery majors to pause and re-balance their China strategy. Rising anti-China sentiment post COVID 19 are nudging these players to shift their manufacturing facilities out of China. India with skilled labour and decades of experience is seen as an attractive sourcing partner for gems and jewellery players as a replacement of imports from China. These will give a much-needed boost to India's gems and jewellery sector.

Opportunity for Organized Players

COVID-19 induced lockdown in various countries along with restrictions on travel and trade has had a deep impact on the industry. Entire business cycle has been disrupted with muted consumer demand, halt in production, supply chain disruption, delayed payment cycle. Indian Gems and Jewellery industry is highly fragmented having numerous small and unorganized players. Such players may find it difficult to sustain facing these unprecedented challenges and result in gradual shift of business to organized players with strong financial and marketing capabilities.

E-commerce

The remarkable growth of e-commerce has undeniably aided several industries. Jewellery industry is seen transforming by leaps and bounds with advancing technology and proliferation of e-commerce. Growth in online shopping and increasing popularity of affordable jewellery is compelling jewellery players to tap e-commerce platforms and exploit the huge opportunity. Moreover, the post-Covid world will present huge opportunity for gems and jewellery players to strengthen their digital and omni-channel play. In the wake of the pandemic, the sector is witnessing a clear shift towards digital as it is a new habit formation. Digital and remote buying will become the order of the day. Interactive video shopping and online orders backed by quick visit to the physical store for product pick-up will gain traction.

The ease of availability and delivery is further backed by a variety of payment options and other advantages such as attractive offers, better price and return policy, and quality assurance. Online retailers are enabling a comprehensive buying experience with the goal of integrating an in-store purchase experience to a digital platform with high-quality images, excellent navigation, and easy-to-use product configuration settings. Industry estimates indicate a bright future for online jewellery sales with the industry implementing

innovative technology to meet rising consumer expectations.

Diamond as an Investment Option

Amidst crash in equity market, falling reality prices, rising gold prices and continuing economic uncertainties diamonds are emerging as an alternate investment option. Certified diamonds provides transparent valuation and assurance to the consumers. Diamond offer moderate to low volatility in returns compared to most other asset class and yet they represent a store of value as prices have historically been growing and will continue to do so in the long term due to an expected shortage of supply. It has attracted public awareness in the last two years and offers huge growth potential.

Government Support to the Industry

The gems and jewellery industry plays a significant role in the Indian economy. Given its tremendous growth potential and contribution, the government has been focussing on adopting favourable policies and initiatives to promote investments and support industry growth. Cumulative FDI inflows stood at USD 1.17 bn between April 2000-December 2019 in the diamond and gold segment. The Country has already established itself as the world's largest processing centre for diamonds owing to its low costs and availability of high-skilled labour. Further, under the 'Brand India' scheme, the government has been encouraging the development and promotion of branded jewellery in the overseas market. The Indian jewellery makers are shifting to self-designing, manufacturing, and branding their own products. India is rapidly emerging as a hub of global jewellery market with the industry being well supported by government policies.

RISKS, THREATS AND CONCERNS

Subdued Consumer Sentiment

At a time when COVID-19 pandemic has shaken the entire world, its ripple effects are also being felt in the gems and jewellery sector. With growth contraction in almost every developed economy across the world and widespread job losses, consumers have become more cautious in spending and are seen shelling money only on essentials. Productions are stalled, supply chains and markets are disrupted, and financial markets have turned volatile, among others. In India, the growing outbreak of the virus and subsequent nationwide lockdown will further impact the sector as all the stores are shut and shipments are halted. The sector is likely to face revenue losses, stress on profitability, and lengthening of operating cycles, which may dampen its borrowing abilities in the future.

The biggest challenge for the industry will be to restore consumer confidence once the pandemic abates and the crisis is resolved. Active engagement with trade bodies and industry organisations will be crucial to ensure that demand and supply equilibrium and price stability is maintained. The Company is

increasingly focussing on expanding geographical footprint, increasing e-commerce presence, and providing unique and aesthetic products to keep up with evolving fashion trends.

Low Margins

Weakening rupee, increasing gold prices, geo-political tensions and dwindling macro-economic conditions may negatively impact consumer demand. This will put price realisation under pressure adversely affecting the already thin margins in the industry.

The Company's lean manufacturing process result in higher yields and lower wastages. Besides, leveraging innovation and modern technology and processes results in enhanced operating efficiency. Further, the contractual, long-term agreements with leading miners enables the Company to procure rough diamonds at competitive rates. Along with this, vertically integrated operations ensure providing optimal and low-cost solutions to customers.

Liquidity Issues

Owing to its highly capital-intensive nature and long working capital cycle, finance is the backbone of the gems and jewellery industry. Therefore, financing constraints can be a major challenge for the sector. The persistent economic slowdown, financial defaults and liquidity constraints have been forcing lenders to trim lending to the sector and demand higher collateral to protect themselves. Non-availability of finance may adversely impact the sales and profitability of the gems and jewellery players.

Strong financial acumen, impeccable track record, coupled with healthy relationship with bankers ensure adequate credit availability to the Company. In addition, it has adequate reserves and surplus of Rs. 1,143 crores and enjoys one of the top credit rankings in the industry assigned by credit rating agency CARE for its bank facilities.

Increasing Availability of Cheaper Substitutes

Rapid growth of synthetic diamonds poses a significant challenge to the industry. Considering the rising diamond prices, lab-grown diamonds are increasingly being mixed with natural diamonds, thus diminishing the market share of natural diamonds, and eroding consumers' confidence. Continued technology advancement is likely to propel growth of synthetic diamonds. To combat this risk, organisations are seen investing in highly advanced processes to detect and prevent adulteration of synthetic diamonds and certify them. The Company deploys advanced equipment to identify synthetic diamonds and prevent its use.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has well-defined internal control systems in place commensurate with the size, nature, and complexity of its business operations. These internal controls encompass various aspects of governance, compliance, audit, control, and reporting. The internal control framework ensures the Company's resilience and agility in a complex business environment. The Company regularly monitors adherence to the internal controls and systems as well as ensures proper documentation, regular appraisal and updation by internal and statutory auditors. The internal controls ensure the following:

- Efficient use and safeguarding of resources
- Stringent adherence to the regulatory requirements
- Reliability, accuracy, and timeliness of financial reporting

The senior management of the Company reviews the internal controls and ensures strict compliance. The audit function closely monitors and oversees the business operations and any discrepancies are immediately reported to the management for relevant action. Strict adherence to all environmental norms, along with legal rules and regulations is maintained without any compromise or aberration. Constant review and updation of the system are primary functions of the Audit Committee to ensure the efficacy and effectiveness of the internal control systems. In addition, the Company has adequate internal control systems pertaining to financial statements. During the year under review, no material weakness was reflected in the design or operation.

HUMAN RESOURCES

People are the biggest strength of the Company. The Company considers its human resources as a pivotal driving force behind organisation's growth and success. The human resource policy aims to build a conducive and inspiring work environment, wherein employees can grow both professionally and personally. The Company has adopted an open-door policy to ensure a fair, transparent, and inclusive work culture. In addition, employees are motivated to engage in direct and meaningful conversations with the management and exchange ideas. Regular skill development and training programmes are organised to enhance employee morale and imbibe a culture of continuous learning and development. The HR teams specially focus on maximising employee productivity, increasing employee satisfaction and engagement and achieving high retention rates. At all levels, employees have a sense of belongingness and feel empowered in propelling business growth. The management has expressed sincere gratitude and appreciation for the hard work of all the employees.

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DIRECTORS' REPORT



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty-Sixth Annual Report on the Business and Operations of your Company together with the Audited Statement of Accounts for the year ended March 31, 2020.

Financial Results

(Rs. in crores)

PARTICULARS	2019-2020	2018-2019
Total Sales	2,162.79	2,450.19
Add: Other Income	(0.95)	8.08
Total Income	2,161.83	2,458.27
Less: Total Expenditure	2,087.36	2,351.46
Operating Profit (PBDIT)	74.47	106.81
Less: Interest and Depreciation	32.29	41.98
Profit before Exceptional Items and Tax	42.17	64.83
Exceptional Items - Income / (Loss)	(0.13)	(3.47)
Profit before tax	42.04	61.35
Provision for Tax	13.54	19.29
Provision for Deferred Tax	0.81	1.49
Profit after Tax	27.68	40.56
Other Comprehensive Income	1.21	0.13
Total Comprehensive Income	28.90	40.70

Financial Performance of the Company

The year 2019-20 has been a yet another challenging year for the industry and the Company. Your Company has achieved sales of Rs. 2162.79 crores as against that of Rs. 2,450.19 crores in the previous year. The Company's majority revenue is from exports and this was severely impacted since the beginning of March with disruption in the economic activities in major consumption centers of Gems and Jewellery in the world due to the COVID-19 pandemic. The lockdown and restrictions imposed on various activities across the world resulted in drop in sales by about 100 crores. The profit margin has decreased from 1.66% in F.Y. 2018-19 to 1.28% in F.Y. 2019-20.

COVID-19 Impact and Mitigation

The world has been facing an unprecedented situation posed by the COVID-19 pandemic. The lockdown and restrictions imposed on various activities across the world due to this pandemic have posed challenges to the all the business activities of the Company and the industry as a whole.

The Company's majority revenue is from exports and this was severely impacted since the beginning of March with disruption in the economic activities in major consumption centers of Gems and Jewellery in the world. The Company's production facilities, marketing offices, and corporate offices were completely shut and all the commercial activities were at a standstill with imposition of lockdown from 2nd half of March 2020 which continued till mid-May. The Company's local B2B jewellery business was also severely impacted due to closure of stores of its clients across the country. In all Company's standalone revenues were down by about 100 crores during FY 19-20 on account of COVID-19.

In keeping with its policy of prioritizing employee safety, your Company had issued early guidelines to its employees on maintaining social distancing, and hygiene at workplaces long before the lockdown enforcement. The Company has been adhering to all directives issued by the authorities and is taking all the precautions for safety of the employees at all its offices and production facilities. It has been following work from home policy wherever possible.

The Company has resumed its operations in phased manner with introduction of relaxation in the lockdown regulations by various State Governments from time to time. All the production facilities are operational and sales, exports as well as domestic, have resumed.

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

Dividend

The Board of Directors of your company is pleased to recommend a final dividend of 15% i.e. Rs. 1.50 per Equity Share of Rs. 10/- each aggregating to Rs. 240.10 Lakhs for the financial year ended March 31, 2020 subject to the approval of the members at the ensuing Annual General Meeting.

Transfer to Reserves

The Board of Directors of your Company propose to transfer Rs. 2 crores to the General Reserve on account of declaration of dividend for the year under review.

Deposits

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

Share Capital

During the year, there has been no change in authorised share capital of the company. The paid up capital of the Company stood at Rs. 16,00,68,000/- at 31st March, 2020.

Credit Rating

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

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

Disclosures relating to Subsidiaries, Associates and Joint Ventures

Performance of Subsidiary Companies

Asian Star DMCC

Asian Star DMCC carries out trading in diamonds catering mainly to UAE market. The Gross Revenue of the Company for F.Y 19-20 is US \$ 167,651,634 as compared to US \$ 181,663,218 (Previous Year). Profit for the year is US \$ 4,623,682 as compared to US \$ 10,591,373 (Previous Year).

Asian Star Company Limited (USA)

Asian Star Company Limited (USA) is in the business of diamond trading and caters to the USA market. Gross Revenue of the company stood at US \$ 20,908,903 for the year as compared to US \$ 26,199,749 (Previous Year). Net Profit after tax for the year is US \$ 9,870 as compared to US \$ 40,481 (Previous Year).

Asian Star Trading (Hong Kong) Limited

Asian Star Trading (Hong Kong) Limited is engaged in trading of diamonds. Gross revenue of the Company stood at US \$ 590,486 as compared to US \$ 4,176,956 (Previous Year). Profit after tax is US \$ 117,293 as compared to US \$ 113,854 (Previous Year).

Associate Company

Shah Manufacturers

Shah Manufacturers engaged in processing of diamond on job work basis. Gross revenue for Current year is Rs. 4,401 Lacs as compared to Rs. 15,925 Lacs (Previous Year). Profit after tax Rs. 3.92 Lacs as compared to Rs. 37.62 Lacs (Previous year).

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

Consolidated Financial Statements

The Consolidated Financial Statements of the Company, its subsidiaries and associate company are prepared in accordance with Section 129(3) of the Companies Act, 2013, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company. A separate statement containing salient features of the financial statement of the company's subsidiaries and associate company which also provides details of the performance and financial position of each subsidiary and associate is annexed to this report in Annexure A.

Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section, forming part of the Annual Report.

Corporate Governance Report

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

As a listed company, necessary measures are taken to comply with the listing agreements of the Stock exchanges. A "Report on Corporate Governance", along with a certificate of compliance from the statutory auditors of the Company - Mahendra Doshi & Associates, Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Listing Regulations (erstwhile Listing Agreement entered into with the Stock Exchanges) forms an integral part of this Report.

Business Responsibility Report

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

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9, as required under section 92 (3) of the Companies Act, 2013, and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014 is annexed, as Annexure B and forms an integral part of this Report.

Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by Central Government of India after the completion of seven years. According to these rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of Rs. 8,454/-. No shares were transferred to IEPF during the year 2019-20. The details are provided in the Shareholder Information Section of this Annual Report and are also available on our website at www.asianstargroup.com.

Board Diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender that will help us retain our competitive advantage. The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website at www.asianstargroup.com

Directors and Key Managerial Personnel

A. Key Managerial Personnel:

The following are Key Managerial Personnel of the Company:-

1. Mr. Dinesh T. Shah: Chairman and CFO
2. Mr. Vipul P. Shah: Chief Executive Officer and Managing Director
3. Ms. Sujata D. Nadgouda: Company Secretary & Compliance officer

Reappointments

Mr. Vipul P. Shah holds the position as a Managing Director and Chief Executive Officer and his current term will be upto 31st December, 2020. The Board at its meeting has recommended his reappointment for the further period of five years effective from 1st January, 2021 subject to the approval of the Members at the ensuing Annual General Meeting and forms a part of the notice of the ensuing Annual General Meeting.

B. Directors:

Inductions

Mr. Jayantilal D. Parmar was appointed as an Additional Director (Non-Executive & Independent Director) effective November 13, 2019. His appointment as an Additional Director (Non-Executive & Independent Director) shall cease at the ensuing Annual General Meeting unless he has appointed as a Director at the ensuing Annual General Meeting. The Board at its meeting held on 30th July, 2020 has recommended his appointment as Non-Executive & Independent Director for first term of five years subject to the approval of the Members at the ensuing Annual General Meeting and forms a part of the notice of the ensuing Annual General Meeting.

Reappointments

In accordance with provision of section 152 of the Companies Act 2013 and Articles of Association of the Company, Mr. Dinesh T. Shah and Mr. Dharmesh D. Shah retires by rotation at the ensuing Annual General Meeting. The Board at its meeting held on 30th July, 2020 has recommended the reappointment of Mr. Dinesh T. Shah and Mr. Dharmesh D. Shah subject to the approval of the Members at the ensuing Annual General Meeting and forms a part of the notice of the ensuing Annual General Meeting.

Mr. Arvind T. Shah and Mr. Priyanshu A. Shah holds the position of Whole-time Director and their current term will be upto 31st December, 2020. The Board at its meeting held on 30th July, 2020 has recommended their reappointment for the further period of five years effective from 1st January, 2021 subject to the approval of the Members at the ensuing Annual General Meeting and forms a part of the notice of the ensuing Annual General Meeting.

Resignation

Mr. Anand H. Gandhi resigned his office as Non-Executive & Independent Director w.e.f. February 4, 2020. The Board places on record its appreciation towards valuable contribution made by Mr. Anand Gandhi during his tenure as a Director of the Company.

C. Board Independence:

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

The following Non-Executive Directors are Independent:-

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

Mr. Anand H. Gandhi resigns as a Non-Executive & Independent Director with effect from 4th February, 2020.

Mr. Jayantilal D. Parmar appointed as a Non-Executive & Independent Director with effect from 13th November, 2019.

D. Declaration by Independent Director(s)

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

Board Meetings

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

Policy on Director's Appointment and Remuneration

The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As of March 31, 2020, the Board had 12 members, 5 of whom are Executive members, 1 Non-Executive and Non-Independent Director and 6 Independent Directors. 1 Independent Director of the board is women.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) Section 178 of the Companies Act, 2013, is available on our website at www.asianstargroup.com

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Committees of the Board

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

- Audit Committee
- Finance Committee
- Corporate Governance Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee

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

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

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually (including Independent Directors) as well as the evaluation of the working of its Committees. The Independent Directors in their Meeting have evaluated the performance of Non-Independent Directors and the Board as a whole and Chairman of the Board. The criteria of evaluation are described in the 'Report on Corporate Governance', a part of this Annual Report.

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

Familiarisation Programme of Independent Directors

All new independent directors inducted into the Board attend an orientation program known as Familiarisation Programme, which is for every new independent director of the Board to familiarize the new inductee(s) with the strategy, operations and functions of our Company. The Executive Directors / Senior Managerial Personnel make presentations to the inductees about the Company's strategy,

operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management. In addition, the Company also keeps the Independent Directors, updated on the events and developments in the industry and business environment.

Corporate Social Responsibility (CSR)

Company has a CSR Policy which emphasising its focus on community development projects, prioritizing local needs in the area of education, health, livelihood and environment, for ensuring long term sustainable benefits. Detailed policy is available on our website: www.asianstargroup.com

CSR programs or projects to be undertaken by the Company in terms of this Policy, shall relate to one or more activities listed in Schedule VII of the Companies Act, 2013, at present or as may be amended from time to time. The CSR Committee comprises of Mr. Arvind T. Shah, Executive Director (Chairman), Mr. Dinesh T. Shah, CFO & Executive Director (Member) and Mr. Milind H. Gandhi, Independent Director (Member).

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the schemes of promotion of education, medical aid, eradicating hunger and malnutrition, promoting special education, promoting education facilities for tribal children and rural development projects etc. The contributions in this regard have been made to various registered trust which are undertaking these schemes.

The Report on CSR activities is annexed herewith as Annexure C.

Particulars of Employees

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

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

Auditors

a. Statutory Auditor

In accordance with the provisions of section 139(1) of the Companies Act, 2013 and the Rules made thereunder, Mahendra Doshi & Associates, Chartered Accountants, (Firm Registration Number 105765W) are the statutory auditors of the Company appointed in 23rd Annual General Meeting held on 28th September, 2017 until conclusion of 28th Annual General Meeting to be held in 2022. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

The Company has received confirmation from them to the effect that they are not disqualified for holding the office of the Auditors.

They have submitted Auditors' Report on the financial statements (standalone and consolidated) of the Company for the financial year ended 31st March, 2020. The reports do not contain any reservation, qualification or adverse remark. Information referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

b. Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules 2014, the Board of Directors of the Company at its meeting held on May 22, 2019 has appointed M/s V. L. Tikmani and Associates, to undertake the Internal Audit of the Company for the year ended March 31, 2020.

c. Secretarial Auditor

Pursuant to provision of section 204 of the Companies Act, 2013 and rules made thereunder, the board has appointed Messrs Yogesh D. Dabholkar & Co., Practicing Company Secretaries (C.P. No. 6752) to undertake the Secretarial Audit of the Company for the year ended March 31, 2020. The Secretarial Audit Report is annexed as Annexure E and forms an integral part of this Report.

The responses of your Directors on the observations made by the Secretarial Auditor are as follows:-

Response to point No. 1

Asian Star considers social responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of society. Asian Star CSR initiatives are on the focus areas approved by the Board benefitting the community. The Company is in the process of identifying the right charitable institutes to be associated with which has vis-a-vis same purpose as that of company CSR Policy. Due to non availability of viable projects during the year, the Company's expenditure on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavour to spend the complete amount on CSR activities in accordance with the statutory requirements.

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

Response to point No. 2

The Company is a law abiding entity, and is endeavour to file all required forms and returns with the registrar in time. However, due to some technical issues from the bank side, there was a delay in receipt of the required information from Bank which in turn resulted in delay for filing of IEPF form(s) with required Authority.

Response to point No. 3

The Director's Identification Number (DIN) of some of the directors was deactivated during the year 2017-18 on account of non-compliance of annual filing requirements in a private limited Company in which they are directors. The DIN of Directors was reactivated by the Ministry of Corporate Affairs after complying with the necessary provisions of the Act in respect of the annual filing requirements. The Directors of the Company shall ensure the compliance of all the applicable provisions of the Act even in respect of their directorship in other Companies in future.

Response to point No. 4

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

Internal Control System and their Adequacy with reference to Financial Statements

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

Particulars of Loans, Guarantees or Investments

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

Related Party Transactions

All Related Party Transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no material significant related party transactions made by the Company with Promoters, Directors, Key

Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large.

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

The 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

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

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

Energy conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Conservation of Energy

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

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 2019-20, the Company has generated 177.36 lacs kwh resulting in the sales of Rs.514 lacs.

Technology Absorption

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

Foreign Exchange Earnings and Outgo

The Company has earned Rs. 1,34,970.79 lacs in foreign exchange by way of exports, dividend and commission and has spent Rs. 90,056.27 lacs in foreign exchange, for the import of raw materials, machinery & consumables, foreign travel, repairs and maintenance. The Directors are making their best endeavors to earn foreign exchange.

Directors' Responsibility Statement

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period.
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (iv) They have prepared the annual accounts on a 'Going Concern' basis.
- (v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively, and
- (vi) They have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Risk Management Policy

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

Listing

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

Documents placed on the website:

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

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

Special Business

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

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

Finance

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

Insurance

Properties and assets of the Company are adequately insured.

Human Resources

Your Company treats its "Human Resources" as one of its most important assets.

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

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

During the financial year 2019-20, the Company has not received any complaint on sexual harassment.

Vigil Mechanism/Whistle Blower Policy

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

Reporting of Frauds by Auditors

During the year under review, the statutory auditor has not reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Cautionary Statement

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

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

Appreciation

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

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

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

Place : Mumbai
Dated: July 30, 2020

For and on behalf of the Board

Dinesh T. Shah
Chairman & CFO
DIN:00004685

ANNEXURE A

FORM AOC - 1

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

Statement containing salient features of the financial statement of subsidiaries:

PART "A": SUBSIDIARIES

(Rs. in lacs)

Sr. No.	Name of the Sub-sidiary	Date when acquired	Exchange Rate / Reporting Currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turn-over	Profit/ (Loss) before tax	Provision for tax	Profit after tax	Proposed Dividend
1	Asian Star Co. Ltd. (USA)	01.12.1966	1 USD = Rs.75.3859	178.75	433.98	6,666.89	6,666.89	-	14,858.48	11.72	4.71	7.01	-
2	Asian Star Co. Ltd (Hong kong)	21.11.2011	1 USD = Rs.75.3859	57.40	601.14	20,431.60	20,431.60	-	419.62	86.87	3.09	83.78	-
3	Asian Star DMCC	25.10.2004	1 USD = Rs.75.3859	12.01	38,214.62	44,787.36	44,787.36	-	1,19,138.16	3,174.01	-	3,174.01	-

PART "B": ASSOCIATES

(Rs. in lacs)

Sr. No	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or required	Shares of Associate/ Joint Ventures held by the Company on the year end			Networth attributable to Sharehold- ing as per latest audited Balance Sheet	Profit or Loss for the year		Description of how there is Significant Influence	Reason why the Associate/ Joint Venture is not consolida- ted
				No.	Amount of Investment in Associates/ Joint Venture	Extent of Holding %		Considered in Consolida- tion	Not Considered in Consolida- tion		
1	Shah Manufac- turers	31.03.2020	01.06.2004	-	-	-	-	3.92	N.A.	Note-A	N.A.

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

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

Place : Mumbai
Dated: July 30, 2020

For and on behalf of the Board

Dinesh T. Shah
Chairman & CFO
DIN:00004685

ANNEXURE B**EXTRACT OF ANNUAL RETURN****FORM NO. MGT-9**

As on financial year ended on 31st March 2020

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L36910MH1995PLC086017
Registration Date	March 2, 1995
Name of the Company	Asian Star Company Limited
Category /Sub-Category of the Company	Company limited by shares / Indian Non Government Company
Address of the Registered office and contact details	114-C Mittal Court, Nariman Point, Mumbai- 400 021 Tel: +91 22 62444111
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any.	Bigshare Services Pvt. Ltd, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai, -400072, Tel: 022-40430200

II. PRINCIPAL BUSINESS ACITIVITY 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 product / services	NIC Code of the Product / service	% to total turnover of the Company
1	Cut and polished diamond and diamond studded jewellery	3691	99.76%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the Company	CIN	Holding /Subsidiary /Associate	% of Shares	Applicable Section
A	Indian Subsidiary	-	-	-	-
B	Foreign Subsidiary				
1	Asian Star Co. Ltd (USA)	-	Subsidiary	100%	2(87)
2	Asian Star Trading (Hongkong) Ltd.	-	Subsidiary	100%	2(87)
3	Asian Star DMCC	-	Subsidiary	100%	2(87)
C	Associate Company				
1	Shah Manufacturers	-	Associate Company	-	2(6)

IV. SHARE HOLDING PATTERN (Equity share capital break-up as percentage of total equity):

i. Category-wise shareholding:

Category of Shareholder	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	% Total shares	Demat	Physical	Total	% Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	10800000	0	10800000	67.47	10800000	0	10800000	67.47	0.00
Sub-total(A)[1]:	10800000	0	10800000	67.47	10800000	0	10800000	67.47	0.00
(2) Foreign									
a) Individual	1150000	0	1150000	7.18	1150000	0	1150000	7.18	0.00
Sub-total (A)[2]:	1150000	0	1150000	7.18	1150000	0	1150000	7.18	0.00
Total shareholding of Promoter (A)=[A](1)+[A](2)	11950000	0	11950000	74.66	11950000	0	11950000	74.66	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0	0.00
b) Banks and Financial Institutions	0	0	0	0.00	0	0	0	0	0.00
c) Central Government	0	0	0	0.00	0	0	0	0	0.00
d) State Government(s)	0	0	0	0.00	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
f) Insurance Companies	713055	0	713055	4.45	713055	0	713055	4.45	0.00
g) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B)[1]:	713055	0	713055	4.45	713055	0	713055	4.45	0.00
(2) Non- Institutions									
a) Bodies corporate and overseas corporate bodies	3269917	0	3269917	20.43	3269347	0	3269347	20.43	(0.00)
b) Individuals									
i) Individuals holding nominal share capital upto Rs. 1 lakh	21122	2302	23424	0.15	19668	2302	21970	0.14	(0.01)
ii) Individuals holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Any other (specify)									
i) Clearing Member	22	0	22	0.00	76	0	76	0.00	0.00
ii) Non Resident Indians	50050	0	50050	0.31	50050	0	50050	0.31	0.00
iii) Overseas Bodies Corporate	655356	0	655356	4.09	655356	0	655356	4.09	0.00
iv) IEPF	332	0	332	0.00	332	0	332	0.00	0.00
Sub-total(B)[2]:	3341443	2302	3343745	20.89	3341443	2302	3343745	20.89	(0.00)
Total Public Shareholding	4054498	2302	4056800	25.34	4054498	2302	4056800	25.34	(0.00)
(B)=[B](1)+[B](2)									
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	16004498	2302	16006800	100.00	16004498	2302	16006800	100.00	(0.00)

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Vipul P. Shah	4000050	24.99	0.00	4000050	24.99	0.00	0.00
2	Nirmalaben D. Shah	1800000	11.25	0.00	1800000	11.25	0.00	0.00
3	Arvind T. Shah	1584450	9.90	0.00	1584450	9.90	0.00	0.00
4	Priyanshu A. Shah	1215450	7.59	0.00	1215450	7.59	0.00	0.00
5	Rasila A. Shah	1200000	7.50	0.00	1200000	7.50	0.00	0.00
6	Dharmesh D. Shah	1150000	7.18	0.00	1150000	7.18	0.00	0.00
7	Dinesh T. Shah	1000050	6.25	0.00	1000050	6.25	0.00	0.00
Total		11950000	74.66	0.00	11950000	74.66	0.00	0.00

iii. There has been no change in the promoter's shareholding throughout the year.

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of Share Capital	No. of Shares	% of Share Capital
1	FLORA IMPEX PRIVATE LIMITED				
	At the beginning of the year	784,113	4.90	784,113	4.90
	Increase / Decrease	No Change			
	At the end of the year			784,113	4.90
2	NISHANT IMPEX PRIVATE LIMITED				
	At the beginning of the year	768,790	4.80	768,790	4.80
	Increase / Decrease	No Change			
	At the end of the year			768,790	4.80
3	UNITED INDIA INSURANCE COMPANY LIMITED				
	At the beginning of the year	713,055	4.45	713,055	4.45
	Increase / Decrease	No Change			
	At the end of the year			713,055	4.45
4	RAHIL IMPEX PRIVATE LIMITED				
	At the beginning of the year	692,095	4.32	692,095	4.32
	Increase / Decrease	No Change			
	At the end of the year			692,095	4.32

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of Share Capital	No. of Shares	% of Share Capital
5	LISTON INVESTMENTS LTD.				
	At the beginning of the year	605,850	3.78	605,850	3.78
	Increase / Decrease	No Change			
	At the end of the year			605,850	3.78
6	SHLOKA TRADERS PRIVATE LTD				
	At the beginning of the year	368,898	2.30	368,898	2.30
	Increase / Decrease	No Change			
	At the end of the year			368,898	2.30
7	NIMESH PIYUSH MEHTA				
	At the beginning of the year	50,000	0.31	50,000	0.31
	Increase / Decrease	No Change			
	At the end of the year			50,000	0.31
8	TWINKLE STAR INVESTMENTS LIMITED				
	At the beginning of the year	49,506	0.31	49,506	0.31
	Increase / Decrease	No Change			
	At the end of the year			49,506	0.31
9	TAPAN KUMAR DEY*				
	At the beginning of the year	780	0.00	780	0.00
	19/04/2019 (Purchase)	1	0.00	781	0.00
	26/04/2019 (Purchase)	168	0.00	949	0.01
	03/05/2019 (Purchase)	52	0.00	1,001	0.01
	10/05/2019 (Purchase)	36	0.00	1,037	0.01
	17/05/2019 (Purchase)	15	0.00	1,052	0.01
	24/05/2019 (Purchase)	105	0.00	1,157	0.01
	31/05/2019 (Purchase)	61	0.00	1,218	0.01
	07/06/2019 (Purchase)	50	0.00	1,268	0.01
	12/07/2019 (Purchase)	37	0.00	1,305	0.01
	23/08/2019 (Purchase)	11	0.00	1,316	0.01
	30/08/2019 (Purchase)	17	0.00	1,333	0.01
	13/09/2019 (Purchase)	17	0.00	1,350	0.01
	20/09/2019 (Purchase)	7	0.00	1,357	0.01
	25/10/2019 (Purchase)	47	0.00	1,404	0.01
	01/11/2019 (Purchase)	10	0.00	1,414	0.01
	08/11/2019 (Purchase)	10	0.00	1,424	0.01
	15/11/2019 (Purchase)	3	0.00	1,427	0.01
	31/01/2020 (Purchase)	12	0.00	1,439	0.01
	28/02/2020 (Purchase)	61	0.00	1,500	0.01
	20/03/2020 (Purchase)	50	0.00	1,550	0.01
	At the end of the year			1,550	0.01
10	RAJENDRA JAYANTILAL SHAH				
	At the beginning of the year	1,500	0.01	1,500	0.01
	Increase / Decrease	No Change			
	At the end of the year			1,500	0.01
11	VINOD KUMAR KATYAL				
	At the beginning of the year	1,222	0.01	1,222	0.01
	31/03/2020 (Sale)	[1]	[0.00]	1,221	0.01
	At the end of the year			1,221	0.01

1. *Not in the list of Top 10 shareholders as on 01-04-2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2020.
2. Percentage calculated on the paid-up capital of the Company as on the date of change in shareholding.

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total share of the Company	No. of Shares	% of total share of the Company
1	Vipul P. Shah, CEO & Managing Director				
	At the beginning of the year	4,000,050	24.99	4,000,050	24.99
	Increase / Decrease	No Change			
	At the end of the year			4,000,050	24.99
2	Dinesh T. Shah, Chairman & CFO				
	At the beginning of the year	1,000,050	6.25	1,000,050	6.25
	Increase / Decrease	No Change			
	At the end of the year			1,000,050	6.25
3	Dharmesh D. Shah, Director				
	At the beginning of the year	1,150,000	7.18	1,150,000	7.18
	Increase / Decrease	No Change			
	At the end of the year			1,150,000	7.18
4	Arvind T. Shah, Executive Director				
	At the beginning of the year	1,584,450	9.90	1,584,450	9.90
	Increase / Decrease	No Change			
	At the end of the year			1,584,450	9.90
5	Priyanshu A. Shah, Executive Director				
	At the beginning of the year	1,215,450	7.59	1,215,450	7.59
	Increase / Decrease	No Change			
	At the end of the year			1,215,450	7.59

Note: No other Director and KMP held any share of the Company during financial year 2019-20.

V. INDEBTEDNESS

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

(Rs. in lacs)

Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i.	Principal Amount	54,976.30	13,592.43	-	68,568.73
ii.	Interest due but not paid	-	-	-	245.54
iii.	Interest accrued but not due	23.04	222.50	-	-
	Total (i+ii+iii)	54,999.34	13,814.93	-	68,814.27
Change in Indebtedness during the financial year					
	• Addition	-	423.70	-	423.70
	• Reduction	6,634.56	-	-	6,634.56
	Net Change	(6,634.56)	423.70	-	(6,210.86)
Indebtedness at the end of the financial year					
i.	Principal Amount	48,341.04	13838.12	-	62,179.17
ii.	Interest due but not paid	23.74	-	-	424.24
iii.	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	48,364.78	14,238.63	-	62,603.41

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 Vipul P. Shah	Executive Director Arvind T. Shah	Executive Director Priyanshu A. Shah	Executive Director Rahil V. Shah	
1	Gross salary					
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	175.00	125.00	100.00	75.00	475.00
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	175.00	125.00	100.00	75.00	475.00
	Ceiling as per the Act					421.79

B. Remuneration to other directors:

(Rs. in lacs)

Sr. No.	Particulars of Remuneration	For attending Board / Committee Meetings	Commission	Others, Specify	Total Amount
1	Independent Directors	2.60	-	-	2.60
	Total (1)	2.60	-	-	2.60
2	Other Non-Executive Director(s)	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = {1+2}	2.60	-	-	2.60
	Total Managerial Remuneration(A+B)				477.60
	Overall ceiling as per the Act				463.96

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM:

(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	1.90	126.90
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	125.00	1.90	126.90

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There is no penalty/punishment/compounding of offences levied against company, its directors and officers in default under Companies Act by RD/NCLT/Court.

For and on behalf of the Board

Place : Mumbai
Dated: July 30, 2020

Dinesh T. Shah
Chairman & CFO
DIN:00004685

ANNEXURE C

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 and 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:

Companies CSR policy is available on: www.asianstargroup.com

- (2) The Composition of the CSR Committee:

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

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

The average net profits for the last three years is Rs. 6533.12 lacs

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

The Company is required to spend Rs. 130.66 lacs towards CSR for the financial year 2019-20

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

(Rs. in lacs)

Financial Year	(a) Amount required to be spent (two per cent amount of the average net profit of the company for last three financial years)	Amount actually spent	(b) Unspent amount
2016-17	115.53	104.90	10.63
2017-18	119.93	60.19	59.74
2018-19	125.23	96.65	28.58

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

(Rs. in lacs)

Sr. No.	CSR Project or activity identified	Sector in which projects are covered	Location where project is undertaken: State (Local Area/ District)	Amount outlay (budget) project or program wise	Amount spent on the projects or programs sub-heads: 1) Direct Expenditure on projects 2) Overheads	Cumulative expenditure to the reporting period	Amount spent: Direct or through Implementing Agencies
1	Provision of Educational material	Education	Raigad	4.00		4.00	Through Implementing Agencies
2	Provision of Educational material	Education	Mumbai (Maharashtra)	6.50		6.50	
3	Provision of Educational material	Education	Palanpur (Gujarat)	8.51		8.51	
4	Provision of Educational in Child Sex Abuse	Promoting Education of Child Sex Abuse	Mumbai (Maharashtra)	2.72		2.72	
5	Education of poor in Tribal area	Promoting Education facilities for tribal children	Sambalpur (Orissa)	11.00		11.00	
6	Health & education for rural project	Promoting preventing health care	Mumbai (Maharashtra)	67.50		67.50	
7	SOS Childrens Villages of India	Promoting Education facilities for children	Mumbai (Maharashtra)	1.08		1.08	
8	Social Development Project	Promoting education facilities for tribal children	Mumbai (Maharashtra)	20.00		20.00	
TOTAL				121.31		121.31	

- (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.**

Asian Star considers social responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of society. Asian Star CSR initiatives are on the focus areas approved by the Board benefitting the community. The Company is in the process of identifying the right charitable institutes to be associated with which has vis-a-vis same purpose as that of company CSR Policy. Due to non availability of viable projects during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavour to spend the complete amount on CSR activities in accordance with the statutory requirements.

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

- (7) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

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.

Place : Mumbai
Dated: July 30, 2020

For and on behalf of the Board

Dinesh T. Shah
Chairman & CFO
DIN:00004685

Arvind T. Shah
Chairman
CSR Committee
DIN: 00004720

ANNEXURE D**PARTICULARS OF EMPLOYEES****1) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****a) Ratio of Remuneration of Directors to Median Remuneration of Employees:**

Sr. No	Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Vipul P. Shah	CEO & Managing Director	58.46	NIL
2	Dinesh T. Shah	CFO & Executive Director	41.76	NIL
3	Arvind T. Shah	Executive Director	41.76	NIL
4	Priyanshu A. Shah	Executive Director	33.45	NIL
5	Rahil V. Shah	Executive Director	25.05	NIL

b) There was NO increase in remuneration of Chief Financial Officer, NO increase in remuneration of Chief Executive Officer & 54.82% increase in remuneration of Company Secretary during the year under review.

c) The percentage increase in the median remuneration of employees in the financial year: 20.13%

d) Total permanent employees on the rolls of the Company: 1,090 employees as on March 31, 2020.

e) Average percentage increase made in salaries of employees other than the managerial personnel in the financial year was 13.79% whereas there was No increase in the managerial remuneration.

f) The Company affirms remuneration is as per the Remuneration Policy.

2) Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of Top 3 employees in terms of remuneration drawn during the year ended 31st March, 2020

Employee Name	Designation	Educational Qualification	Experience (in years)	Date of Joining	Age	Previous employment and designation	Remuneration (Rs.)
Vipul P Shah	CEO & MD	B. Com	33	March 7, 1995	51	Not Applicable	17500000
Arvind T Shah	WTD	B. Tech	53	March 7, 1995	72	Not Applicable	12500000
Dinesh T Shah	CFO & Chairman	B. Sc.	57	March 7, 1995	77	Not Applicable	12500000

For and on behalf of the Board

Place : Mumbai
Dated: July 30, 2020

Dinesh T. Shah
Chairman & CFO
DIN:00004685

ANNEXURE E

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
 (Appointment and Remuneration Personnel) Rules, 2014]

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

Dear Sirs,

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit,

I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);

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

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

1. The Company has complied with the provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility except that there was a shortfall in spending of atleast 2% of average net profits of the Company made during the three immediately preceding financial years in pursuant of company's CSR policy.
2. There was delay in filing certain forms relating to the Investor Education and Protection Fund (IEPF) as prescribed under Section 125 of the Companies Act, 2013.
3. On the basis of the information provided to me, during the year 2017-18 three directors were disqualified as a director due to non-filing of financial statements and Annual Report of a private limited Company where they were directors and their Director Identification Number (DIN) were deactivated. Further, petition seeking restoration of name was filed before National Company Law Tribunal (NCLT) Mumbai Bench. The status of the DIN of three directors has been reactivated in May 2018 by the Ministry of Corporate Affairs after complying with the necessary procedures as prescribed under Condonation of Delay Scheme, 2018.
4. During the year under review, the Company has appointed one independent director on the board of its unlisted material subsidiary incorporated outside India. However, the procedural formalities with respect to this appointment were not completed during the period under review.

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. 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.

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

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has not undertaken any specific events / actions that can have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

For Yogesh D Dabholkar & Co.,
Practicing Company Secretary

Yogesh D Dabholkar

Proprietor

FCS No: 6336

COP No: 6752

UDIN: F006336B000531102

Place : Dombivli
Dated: July 30, 2020

ANNEXURE 1

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

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

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

For Yogesh D Dabholkar & Co.,
Practicing Company Secretary

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

Place : Dombivli
Dated: July 30, 2020

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REPORT ON CORPORATE GOVERNANCE



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2019-2020

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

(I) Company's Philosophy:

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

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

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

(II) Board of Directors:

a) 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.

We believe that our board needs to have an appropriate mix of executive, non-executive and Independent Directors. Board of Directors, as on 31.03.2020 is comprised of total 12 directors. The Company has a Promoter Executive Chairman and 6 Independent Directors i.e. half of the total number of Directors on its Board. The Composition of the Board of Directors includes 5 Executive Directors, 6 Non-Executive Independent Directors and 1 Non-Executive Non-Independent Director.

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

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

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

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

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

The Board periodically reviews compliance reports of all laws applicable to the company. Steps are taken by the Company to rectify instances of non-compliance, if any.

The Board of Directors met Four times during the Financial Year 2019-20. The Board meetings were held on 22.05.2019, 13.08.2019, 13.11.2019 and 12.02.2020. The necessary quorum was present during all the meetings.

b) Attendance of Board of Directors:

Name of the Directors	DIN	Category	Board Meetings attended	Last AGM attendance
Dinesh T. Shah	00004685	Promoter Executive Chairman	3	No
Arvind T. Shah	00004720	Promoter Executive Director	3	Yes
Dharmesh D. Shah	00004704	Promoter Non Executive Director	1	No
Vipul P. Shah	00004746	Promoter Executive Director	4	Yes
Priyanshu A. Shah	00004759	Promoter Executive Director	1	No
Rahil V. Shah	06811700	Executive Director	2	Yes
K. Mohanram Pai	00007198	Independent - Non Executive Director	4	Yes
Apurva R. Shah	00004781	Independent - Non Executive Director	4	Yes
Milind H. Gandhi	01658439	Independent - Non Executive Director	3	Yes
Anand H. Gandhi *	01668879	Independent - Non Executive Director	-	No
Miyar R. Nayak	03352749	Independent - Non Executive Director	4	Yes
Neha Rajen Gada	01642373	Independent - Non Executive Director	3	Yes
Jayantilal D. Parmar **	07440353	Independent - Non Executive Director	1	No

*. Mr. Anand H. Gandhi resigned from the Board effective February 4, 2020.

** Mr. Jayantilal D. Parmar was appointed on the Board effective November 13, 2019.

During the FY 2019-2020, Mr. Anand H. Gandhi resigned from the Board of the Company, effective from 4th February, 2020, due to his other pre-occupation with work. Mr. Anand H. Gandhi also confirmed that apart from this, there was no other material reason for stepping off the Board of the Company.

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

Name of the Directors	DIN	Category	No. of outside directorship held in public	No. of Board Committee ** of which he is a member	No. of Board Committee ** of which he is Chairman
Dinesh T. Shah	00004685	Promoter Executive Chairman	-	-	-
Arvind T. Shah	00004720	Promoter Executive Director	-	-	-
Dharmesh D. Shah	00004704	Promoter Non Executive Director	-	-	-
Vipul P. Shah	00004746	Promoter Executive Director	1	-	-
Priyanshu A. Shah	00004759	Promoter Executive Director	-	-	-
Rahil V. Shah	06811700	Executive Director	-	-	-
K. Mohanram Pai	00007198	Independent - Non Executive Director	1	-	3
Apurva R. Shah	00004781	Independent - Non Executive Director	3	3	2
Milind H. Gandhi	01658439	Independent - Non Executive Director	1	-	1
Miyar R. Nayak	03352749	Independent - Non Executive Director	1	1	-
Neha Rajen Gada	01642373	Independent - Non Executive Director	2	2	-
Anand H. Gandhi	01668879	Independent - Non Executive Director	-	-	-
Jayantilal D. Parmar	07440353	Independent - Non Executive Director	-	-	-

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

1. Mr. Anand H. Gandhi resigned from the Board effective February 4, 2020.
2. Mr. Jayantilal D. Parmar was appointed on the Board effective November 13, 2019

d) Name of the listed entities where person is the director and category of directorship

Name of the Directors	DIN	Name of other listed entities where the person is the director	Category of directorship
Dinesh T. Shah	00004685	NIL	NA
Arvind T. Shah	00004720	NIL	NA
Dharmesh D. Shah	00004704	NIL	NA
Vipul P. Shah	00004746	NIL	NA
Priyanshu A. Shah	00004759	NIL	NA
Rahil V. Shah	06811700	NIL	NA
K. Mohanram Pai	00007198	Sovereign Diamonds Limited	Non-Executive - Independent Director
Apurva R. Shah	00004781	Steel Cast Limited	Non-Executive - Independent Director
		Fine-Line Circuits Limited	Non-Executive - Independent Director
Milind H. Gandhi	01658439	Glance Finance Limited	Non-Executive - Independent Director
Miyar R. Nayak	03352749	P C Jeweller Limited	Non-Executive - Independent Director
Neha Rajen Gada	01642373	Tamboli Capital Limited	Non-Executive - Independent Director
		Anglo-French Drugs & Industries Limited	Non-Executive - Independent Director
Anand H. Gandhi	01668879	NIL	NA
Jayantilal D. Parmar	07440353	NIL	NA

1. Mr. Anand H. Gandhi resigned from the Board effective February 4, 2020.
2. Mr. Jayantilal D. Parmar was appointed on the Board effective November 13, 2019.

e) Disclosure of relationships between directors inter-se:

Sr. No.	Name of the Director	Relation with other Directors
1.	Dinesh Tarachand Shah & Dharmesh Dinesh Shah	Father and Son
2.	Arvind Tarachand Shah & Dinesh Tarachand Shah	Brothers
3.	Arvind Tarachand Shah & Priyanshu Arvind Shah	Father and Son
4.	Vipul Prabodh Shah & Rahil Vipul Shah	Father and Son
5.	Dinesh Tarachand Shah & Vipul Prabodh Shah	Uncle & Nephew
6.	Arvind Tarachand Shah & Vipul Prabodh Shah	Uncle & Nephew
7.	Vipul Prabodh Shah, Dharmesh Dinesh Shah & Priyanshu Arvind Shah	Cousin Brothers
8.	Dharmesh Dinesh Shah & Rahil Vipul Shah	Uncle & Nephew
9.	Priyanshu Arvind Shah & Rahil Vipul Shah	Uncle & Nephew

f) Number of shares and convertible instruments held by non-executive directors:

Sr. No.	Name of the Director	Category	No. of Shares held
1.	Dharmesh Dinesh Shah	Non Executive- Non Independent Director	1150000

The Company has not issued any convertible instrument.

g) Familiarization Programme for Independent Directors:

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

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

In terms of the requirements of the SEBI listing Regulations, all Directors possess relevant qualifications, skills, expertise and competence which enable them to effectively contribute to the Company in their capacity as Directors.

The following skills / expertise / competences have been identified for the effective functioning of the Company and are currently available with the Board:

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

The Core skills/expertise/competencies possessed by the Directors who were part of the Board as on March 31, 2020, are as follows:

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

i) Independent Directors:

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25 (8) of SEBI Listing Regulations; Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

j) Separate Meeting of Independent Directors

Pursuant to Schedule IV of the Act read with Regulation 25(3) of the Listing Regulations, the Independent Directors met on February 12, 2020 without presence of Executive Directors and Management representatives. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Management of the Company.

The Independent Directors at the said meeting

- reviewed the performance of Non-Independent Directors and the Board as a whole;
- reviewed the performance of Chairman of the Company based on the views of Executive and Non-Executive Directors;
- assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

k) Code of Conduct

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

(III) Committees of the Board:

The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review. The Board has currently established the following statutory and non-statutory Committees.

a) Audit Committee:

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

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the board on the adequacy of the internal control systems and financial disclosures. The terms of reference of the Audit Committee are broadly as follows:

- 1) To review compliance with internal control systems.
- 2) To review the findings of internal auditor relating to various functions of the company
- 3) To recommend to the Board, the appointment, reappointment and if required, the replacement or removal of the Statutory auditors and the fixation of audit fees;
- 4) To review quarterly, half yearly and annual financial statements before submission to the Board for approval
- 5) To review performance of the statutory and internal auditors, adequacy of the internal control systems;
- 6) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- 7) Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Qualifications in the draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Establishing & reviewing functioning of the Whistle Blower Mechanism;
 - Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015
- 8) Carrying out any other functions as specified in the terms of reference, as amended from time to time.

In fulfilling the above role, the audit committee has powers to investigate any activity within its terms of reference.

The composition of the Committee is given below:

Name	Designation	Category	No. of Committee Meetings Attended
Mr. K. Mohanram Pai	Chairman	Independent Director, Non-Executive	4
Mr. Apurva R. Shah	Member	Independent Director, Non-Executive	4
Mr. Miyar R. Nayak	Member	Independent Director, Non-Executive	4
Mr. Arvind T. Shah	Member	Executive Director	3

During the year 4 (Four) meetings were held and necessary quorum was present during the all meetings. Dates of the meetings: 22.05.2019, 13.08.2019, 13.11.2019 and 12.02.2020.

The previous Annual General Meeting of the Company which was held on September 27, 2019 was attended by Chairman of the Audit Committee.

b) Nomination & Remuneration Committee

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

Name	Designation	Category	No. of Committee Meetings Attended
Mr. Miyar R. Nayak	Chairman	Independent Director, Non-Executive	2
Mr. Milind H. Gandhi	Member	Independent Director, Non-Executive	1
Mr. Apurva R. Shah	Member	Independent Director, Non-Executive	2

During the year 2 (Two) meetings were held and necessary quorum was present during the all meetings. Date of the Meetings: 22.05.2019 & 13.11.2019.

Your Company has framed policy on Nomination & Remuneration; the same is displayed on the website of the Company (www.asianstargroup.com) under Corporate Governance segment.

Remuneration of Directors

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

The details of actual payments made during the financial year 2019-20 to the Executive Directors of the Company are given below:

Name	Designation	Gross Salary (Rs.)
Mr. Dinesh T. Shah	Executive Chairman & CFO	1,25,00,000
Mr. Vipul P. Shah	CEO & Managing Director	1,75,00,000
Mr. Arvind T. Shah	Executive Director	1,25,00,000
Mr. Priyanshu A. Shah	Executive Director	1,00,00,000
Mr. Rahil V. Shah	Executive Director	75,00,000

During the Financial Year 2019-20, the company has paid sitting fees to Non-Executive Directors detailed below:-

Name	Designation	Sitting Fees (Rs.)
Mr. K. M. Pai	Independent Director	60,000
Mr. Miyar R. Nayak	Independent Director	60,000
Mr. Apurva Shah	Independent Director	60,000
Mr. Milind H. Gandhi	Independent Director	30,000
Mr. Neha Gada	Independent Director	30,000
Mr. Anand H. Gandhi *	Independent Director	-
Mr. Jayantilal D. Parmar **	Independent Director	20,000

*. Mr. Anand H. Gandhi resigned from the Board effective February 4, 2020.

**. Mr. Jayantilal D. Parmar was appointed on the Board effective November 13, 2019.

Term of Reference

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

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

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter alia, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning. Criteria for board evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, performance of the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the CEO & Managing Director. Criteria for evaluation of performance of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

c) Stakeholders Relationship Committee

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

Name	Designation	Category	No. of Committee Meetings Attended
Mr. K. Mohanram Pai	Chairman	Independent Director, Non-Executive	2
Mr. Apurva R. Shah	Member	Independent Director, Non-Executive	2
Mr. Arvind T. Shah	Member	Independent Director, Non-Executive	1

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

The Company Secretary acts as Secretary to the Committee.

During the year 2 (Two) meetings were held and necessary quorum was present during the all meetings Date of the Meetings: 22.05.2019 and 13.11.2019

The Secretarial Department of the company and Share Transfer Agent, Bigshare Services Pvt. Ltd. attend to all grievances of all the shareholders and investors received directly or through SEBI, Stock Exchanges, and Ministry of Corporate Affairs etc.

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

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

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

Company Secretary and Address for Correspondence

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

d) Corporate Governance Committee

The following are the committee members:

Name	Designation
Mr. Miyar R. Nayak	Chairman
Mr. K. Mohanram Pai	Non Executive Director
Mr. Arvind T. Shah	Executive Director

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

e) Finance Committee

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

Name	Designation
Mr. Dinesh T. Shah	Chairman
Mr. Vipul P. Shah	Executive Director
Mr. Arvind T. Shah	Executive Director
Mr. Priyanshu A. Shah	Executive Director
Mr. Rahil V Shah	Executive Director

f) Corporate Social Responsibility Committee

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

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

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

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company under Corporate Governance segment. The Report on CSR activities for the year 2019-20 forms a part of the Directors' Report.

Composition and Attendance during the year

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

Name	Designation	Category	Committee Meetings Attendance
Arvind T. Shah	Executive Director	Chairman	1
Mr. Dinesh T. Shah	Chairman & CFO	Member	2
Mr. Milind Gandhi	Independent Director	Member	2

During the year 2 (Two) meetings were held and necessary quorum was present during the all meetings. Date of the Meetings: 22.05.2019 and 13.11.2019

(IV) General Body Meetings:

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

Year	Venue	Date	Time
2016-17	Sangam Hall, Mumbai	September 28, 2017	4.00 pm
2017-18	Sangam Hall, Mumbai	September 25, 2018	4.00 pm
2018-19	Sangam Hall, Mumbai	September 27, 2019	4.00 pm

ii) Company has passed special resolutions in the previous three Annual General Meetings. Details of the same as below:

Date of the Meeting	Summary of special resolution
September 28, 2017	Approval under Section 186 of the Companies Act, 2013 for loans and investment.
September 25, 2018	<p>Setting of investment limits under Section 186 of the Companies Act, 2013 for loans and investment.</p> <p>Regularisation and appointment of Mr. Anand Gandhi as an Independent Director of the Company for term of consecutive five years.</p> <p>Re- appointment of Mr. Rahil V. Shah as an Executive Director.</p> <p>Re-appointment of Mr. Miyar R. Nayak as an Independent Director of the Company for second term of consecutive five years.</p> <p>Re-appointment of Mr. Kundapur Mohanram Pai as a Independent Director of the Company for second term of consecutive five years.</p> <p>Approval for continuation of Mr. Kundapur Mohanram Pai as Non-Executive Independent Director in view of SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018.</p> <p>Re-appointment of Mr. Apurva R. Shah as a Independent Director of the Company for second term of consecutive five years.</p> <p>Re-appointment of Mr. Milind H. Gandhi as an Independent Director of the Company for second term of consecutive five years.</p>

September 27, 2019	<p>Approval under section 188 of Companies Act, 2013.</p> <p>Approval under section 196, 197, 198 of Companies Act, 2013 approval of Shareholder for remuneration of Executive Director.</p> <p>Approval for appointment of Mrs. Neha Gada for 2nd Term as an Independent Director.</p> <p>Approval of Shareholder under Reg 17(6)(e) of SEBI (LODR) Regulation, 2015 for payment of remuneration in excess of 2.5% of Net Profit.</p>
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- iii) No Special resolution was passed last year through postal ballot.
- iv) No Special resolution proposed to be conducted through postal ballot.

(V) Means of Communication:

The Company publishes its quarterly, half yearly financial results in national and regional news papers which includes Financial Express and Mumbai Lakshdeep. The Company also sends financial results to Stock Exchange immediately after its approval by the Board in terms of the requirements of the Listing Regulations. Company displays its results and official news releases on the Company's website: www.asianstargroup.com.

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

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

(VII) Other Disclosures:

- i) All Related Party Transactions which were entered into during the Financial Year were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or any related party which may have potential conflict with the interest of the Company at large. The Company has adopted Related Party Transaction policy, as approved by the board, is uploaded on the website of the company.
<http://www.asianstargroup.com/corporate-governance.aspx>
- ii) The audit committee granted omnibus approval for certain transactions to be entered into with the related parties during the year.
- iii) The particulars of contracts or arrangement with the related parties as required under Section 134(3)(h) are disclosed in Notes forming part of the financial statements in the Annual Report and the same are not in conflict with the interest of the Company.
- iv) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website.
- v) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the BSE Limited or SEBI or any statutory authority, on any matter related to capital markets, during the last three years? - None
- vi) The Company has formulated a mechanism for employees to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. During the year under review, no such report was received. The Company Secretary and Audit Committee acts upon any reporting under Whistle Blower Policy.
- vii) Policy determining Material Subsidiary is disclosed on company's website at <http://www.asianstargroup.com/corporate-governance.aspx>.

- viii) The Company does not deal in commodity price risk and commodity hedging activities.
- ix) Certificate on Corporate Governance- Annexed herewith.
- x) **Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares):** The Company does not have any shares in the demat suspense account or unclaimed suspense account.
- xi) **Compliance Report on Non-mandatory requirements under Regulation 27(1):** The Company has complied with all the mandatory requirements of the Corporate Governance as prescribed in Listing Regulation. Adoption of non-mandatory requirements of Listing Regulation is being reviewed by the Board from time-to-time.
- xii) **Disclosure of Commodity price risks / Foreign Currency Risk and hedging activities:** The Company is subject to commodity price risks due to fluctuations in the prices of gold. Also it is subject to foreign currency risk as it is involved in import and export of goods. The Company has risk management policies and framework in place for identification and mitigation of these risks. The Fluctuation in prices of gold and exchange rates are being closely monitored by the team of experienced professionals and are hedged by entering into forward contracts.
- xiii) **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A):** During the year company has not raised any fund through preferential allotment or qualified institutional placement.
- xiv) **Disclosure of non-acceptance of any recommendation of any committee by the Board in the financial year 2019-20 and its reason:** There was no such instance during the FY 2019-2020 when board had not accepted any recommendation of any Committee of the Board.
- xv) **Fees paid to Statutory Auditor:** Details of the total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which statutory auditors is a part are provided in the Notes to accounts forming part of this Annual Report.
- xvi) **Compliance of Discretionary Requirements:** The Company has fulfilled the discretionary requirements relating to the financial statements and the same are unqualified.
- xvii) **Practising Company Secretary Certificate on Non-Disqualification of Directors:** A certificate has been obtained from Yogesh D. Dabholkar & Co., a Company Secretary in practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed herewith to this Corporate Governance Report.
- xviii) **Certificate of Compliance from Independent Auditor:** In terms of Schedule V of the SEBI Listing Regulations, the Certificate of Compliance of conditions of Corporate Governance from Independent Auditor is annexed to this report.
- xix) **Disclosure of Compliance with the SEBI LODR:** The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Sub-Regulation (2) of Regulation 46 and Schedule V - part C to F of the SEBI LODR

(VIII) Green Initiative in Corporate Governance

Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode. The move of the Ministry allows public at large to contribute to the green movement. Keeping in view the underlying theme, the electronic copies of the Annual Report 2019-20 and Notice of 26th Annual General Meeting of the Company are sent to all members whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email address, physical copies of the Annual Report along with notice of Annual General Meeting for 2019-20 will not be sent as per Reg 36(1)(b) due to relaxation provided by SEBI via circular SEBI/HO/CFD/CMD1/CIR/P/2020/79.

To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to

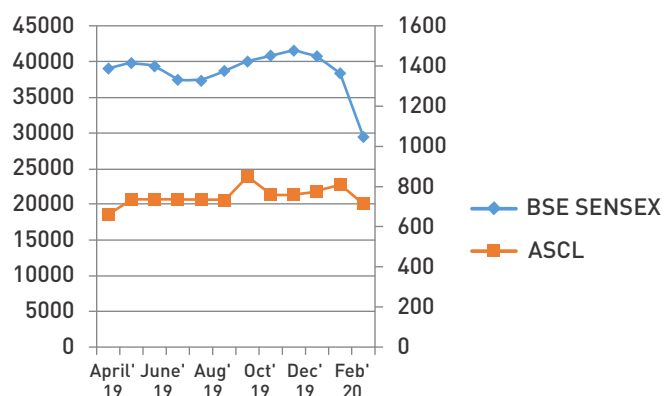
register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill in the Registration form which can be obtained from Company's Registrar, Bigshare Services Private Limited.

(IX) General Shareholder Information:

1	Annual General Meeting	
	- Date and Time: September 30, 2020 at 3.00 P.M.	
	- Venue: In accordance with the General Circular issued by MCA on May 5, 2020, the AGM will be held through Video Conferencing / Other Audio Visual means. Reg. Add:- 114-C Mittal Court, Nariman Point, Mumbai - 400021.	
2	Financial Calendar	April - March
	- First quarter	First week of August, 2020
	- Second quarter/Half year	First week of November, 2020
	- Third quarter	First week of February, 2021
	- Audited Annual Results	Last week of May, 2021
3	Book Closure Date	24th September, 2020 to 30th September, 2020, (both days inclusive)
4	Dividend Payment Date	The Board of Directors recommended a final dividend of Rs. 1.50 per Equity Share of face value of Rs. 10/- each .The dividend, if approved by the shareholders at the 26th Annual General Meeting would be paid / dispatched within 30 days from the date of AGM. Further, pursuant to the changes implemented by finance Act, 2020 w.e.f 1st April, 2020, the Company would require to withhold taxes at the prescribed rate on the dividend paid to its shareholders. As on March 31, 2020, there is an amount of Rs.1,596 which is unclaimed/unpaid for a consecutive period of seven years from the date of transfer to unpaid dividend account of the Company, hence is liable to be transferred to the Investor Education and Protection Fund.
5	Listing on Stock Exchange at:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023. Listing fees as applicable has been paid.
6	Stock Code :	531847
7	ISIN number for NSDL & CDSL	INE194D01017
8	CIN No.	L36910MH1995PLC086017

(X) Month wise Stock Market Data relating to equity shares of the Company

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



Closing	Sensex	ASCL
Apr' 19	39031.55	660.00
May' 19	39831.97	735.00
Jun' 19	39394.64	735.00
Jul' 19	37481.12	735.00
Aug' 19	37332.79	734.90
Sep' 19	38667.33	731.50
Oct' 19	40051.87	850.00
Nov' 19	40793.81	758.00
Dec' 19	41558.00	758.00
Jan' 20	40723.49	776.00
Feb' 20	38297.29	808.00
Mar' 20	29468.49	712.50

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' 19	720.00	660.00	October' 19	882.00	768.00
May' 19	808.95	650.95	November' 19	850.00	758.00
June' 19	808.95	650.95	December' 19	850.00	758.00
July' 19	735.00	735.00	January' 20	825.00	685.00
August' 19	735.00	734.25	February' 20	808.00	770.00
September' 19	809.95	731.50	March' 20	801.00	712.50

(XI) Registrar & Share Transfer Agents:

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

(XII) Share Transfer System:

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

(XIII) Distribution of equity shareholding as on March 31, 2020:

No. of shares	No. of shareholders	% of Total shareholders	No of shares	% of Total shares
1-5000	471	94.5783	146830	0.0917
5001-10,000	8	1.6064	55390	0.0346
10,001-20,000	3	0.6024	42710	0.0267
100,001 & above	16	3.2129	159823070	99.8470
Total	498	100.00	160068000	100.00

Note: The details given above are as per BENPOS received from Bigshare Services Private Limited, Registrar and Share Transfer Agent dated March 31, 2020.

(XIV) Categories of equity shareholding as on March 31, 2020:

Category	No of shares held	% of total shares held
Promoters	11950000	74.66
Body Corporates	2613991	16.33
Indian Public	21970	0.14
NRI & OCB's	705406	4.41
FII's	-	-
Clearing Member	76	0.00
Insurance Companies	713055	4.46
Central Government/ State Government(s)/ President of India	332	0.00
Total	16006800	100.00

(XV) Dematerialisation of Shares and Liquidity:

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

16,004,498 equity shares i.e. 99.98 % of equity shares have been dematerialized up to March 31, 2020.

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

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

(XVI) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

(XVII) Manufacturing Facilities:

Cut & Polished Diamonds	Diamond Studded Jewellery		Wind Energy
F.P.no. 138 / 151, Plot no.1, Near Sandesh Paper Press Purushottam Ginning Mill Compound, A. K. Road, Surat, Gujarat - 395 008.	Plot No.5, F-11/12,WICEL, Opp. SEEPZ, MIDC (Marol) Central Road, Andheri (East), Mumbai - 400 093.	Plot No. 21, New SIDCO Industrial Estate, Srinagar, Hosur, Tamil Nadu 6350109	Sangli, Maharashtra, Dindugul and Coimbatore, Tamil Nadu, Pallakad Kerala

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

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

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

Instrument	Type	Amount (Rs. In Crores)	Rating Agency	Rating
Fund- based- LT/ST	Long Term/ Short Term	1055.00	CARE	CARE A-; Negative/ CARE A2+

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

To,
The Members of Asian Star Company Limited

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Company's Code of Business Conduct for the year ended March 31, 2020.

For Asian Star Company Limited

Place : Mumbai
Dated: July 30, 2020

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

CEO AND CFO CERTIFICATION

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

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

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
 - i. Significant changes, if any, in internal control over financial reporting during the year;
 - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Mumbai
Dated : July 30, 2020

VIPUL P. SHAH
CEO & Managing Director
DIN - 00004720

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by Asian Star Company Limited (Company) for the year ended on March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation of 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015, as applicable for the financial year ended on 31st March, 2020 except in respect of matters specified below:

1. Regulation 24(1) of LODR: During the year under review, The Company has appointed one independent director on the board of its unlisted material subsidiary incorporated outside India. However the procedural formalities with respect to this appointment were not completed during the period under review

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

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, We do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Mahendra Doshi & Associates
Chartered Accountants
FR No.: 105765W

Mahendra Doshi
Proprietor

Membership No. 41316
UDIN: 20041316AAAABJ9919

Place : Mumbai
Dated : July 30, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To The Members,

Asian Star Company Limited

114-C, Mittal Court, Nariman Point,

Mumbai - 400 021

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Asian Star Company Limited having CIN L36910MH1995PLC086017 and having registered office at 114-C, Mittal Court, Nariman Point, Mumbai - 400 021 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority. On the basis of the information provided to me, three directors were disqualified as a director due to non filing of financial statements and Annual Return of a Private Limited Company where they were directors and their Director Identification Number (DIN) were deactivated for some period. The status of the DIN of three directors has been reactivated in May 2018 by the Ministry of Corporate Affairs after complying the necessary procedures as prescribed under Condonation of Delay Scheme, 2018.

Sr.No.	Name of the Director	DIN	Date Of Appointment
1.	Dinesh Tarachand Shah	00004685	07/03/1995
2.	Dharmesh Dinesh Shah	00004704	07/03/1995
3.	Arvind Tarachand Shah	00004720	07/03/1995
4.	Vipul Prabodh Shah	00004746	07/03/1995
5.	Priyanshu Arvind Shah	00004759	01/11/2004
6.	Apurva Rajendra Shah	00004781	24/09/1999
7.	Kundapur Mohanram Pai	00007198	18/03/1995
8.	Neha Rajen Gada	01642373	30/03/2015
9.	Milind Hasmukh Gandhi	01658439	16/10/2008
10.	Miyar Ramanath Nayak	03352749	17/01/2014
11.	Rahil Vipul Shah	06811700	17/01/2014
12.	Jayantilal Dudhabhai Parmar	07440353	13/11/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Yogesh D Dabholkar & Co.,
Practicing Company Secretaries

Yogesh D Dabholkar

Proprietor

FCS No.: 6336.

COP No.6752.

UDIN: F006336B000531168

Place : Dombivli

Dated: July 30, 2020

BUSINESS RESPONSIBILITY REPORT

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

Section A: General Information about the Company:

1. **Corporate Identity Number (CIN) of the Company:** L36910MH1995PLC086017
2. **Name of the Company:** Asian Star Company Limited
3. **Registered Address:** 114-C, Mittal Court, Nariman Point, Mumbai Maharashtra 400021
4. **Website:** www.asianstargroup.com
5. **E-mail id:** secretarial@asianstargroup.com
6. **Financial year reported:** 1st April, 2019 - 31st March, 2020
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
Cut & Polished Diamonds and Diamond Studded Jewellery - (NIC) Code 3691
8. **Key products/ services that the Company manufactures/ provides (as in balance sheet):**
 - i. Cut & Polished Diamonds
 - ii. Diamond Studded Jewellery
9. **Total number of locations where business activity is undertaken by the Company**
 - a. **Number of International Locations (furnish details of major 5):**
The Company's products are distributed across 30 countries. Major 5 countries are USA, Hong Kong, UAE, Antwerp and Singapore
 - b. **Number of National Locations:** The Company has sales office at 7 locations and 3 manufacturing facilities.
10. **Markets served by the Company:** The Company sells its product across India as well as several countries in the world.

Section B: Financial details of the company

1. **Paid up Capital (INR) :** 1,600.68 lakhs
2. **Total Turnover (INR) :** 2,16,279.56 lakhs
3. **Total profit after taxes (INR):** 2,768.75 lakhs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 4.38% of profit after tax (standalone)
5. **List of activities in which expenditure in 4 above has been incurred:**
Please refer Annexure C to the Board's Report.

Section C: Other Details

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

Section D: BR Information

1. **Details of Director/ Directors responsible for implementation of the BR Policies.**
 - a. **Details of the Director / Director responsible for implementation of the BR policy /policies**
 - i. **Name :** Arvind T. Shah
 - ii. **DIN Number :** 00004720
 - iii. **Designation :** Wholetime Director
 - b. **Details of the BR Head**
 - i. **Name :** Jaykant Rathod
 - ii. **Designation :** HR Head
 - iii. **Telephone No. :** 022 6244 4111
 - iv. **Email Id :** jaykant@asianstargroup.com

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

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

Principle 1: Ethics, Transparency and Accountability (P1)

Principle 2 : Policy on Product Lifecycle Sustainability (P2)

Principle 3 : Policy on Wellbeing of employees (P3)

Principle 4 : Policy on Stakeholders Engagement (P4)

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

Principle 6 : Policy on Protection of Environment (P6)

Principle 7 : Policy on Responsible Advocacy (P7)

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

Principle 9 : Policy on Customer Value (P9)

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

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

3. Governance related to BR

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

Two CSR Meetings were held during the year. BR performance of the Company is assessed in February Board Meeting and CSR Meetings held during the year.

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

The Company is publishing BR Report for the first time.

Section E: Principle-Wise Performance

Principle 1:

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

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

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

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

During the FY 2019-20, Company has not received any Complaints from stakeholders.

Principle 2:

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

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

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

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

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

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

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

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

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

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

In our Diamond business we are out sourcing cutting and polishing of diamonds from various small scale units scattered in Gujarat. They are working with us since decades and over these years Company has nurtured them both technologically and skill wise. This initiative has helped to generate employment in rural and semi urban sections and ensure sustainable development. Similarly in jewellery business associated vendors and contractors have grown over the year and in turn have helped us to grow.

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

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

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

Principle 3:

Businesses should promote the wellbeing of all employees

1. Total number of employees: 1,090 employees as on 31st March 2020.
2. Total number of employees hired on temporary/ contractual/ casual basis:
63 Contractual Employees as on 31st March 2020
3. Number of permanent women employees: 175 as on 31st March 2020
4. Number of permanent employees with disabilities: 10 as on 31st March 2020
5. Do you have an employee association that is recognized by management? Nil
6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.
We have zero tolerance for hiring of child labour, forced labour, discrimination, sexual harassment and gender in-equality. The Company has strict policy and procedure on social compliance and its adherence are monitored, further this policy are publicly available on our website and any deviation can be reported by stakeholder through our grievances cell and whistle blower policy.
During the financial year 2019-20 no complaint on sexual harassment has been reported to Internal complaint committee.
8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Category of workman :

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

100 % of employees are covered in various Health and Safety training which are conducted round the year such as PPE usage, Mock Drills, Fire Drill's , First Aid, Fire Fighting and General Health & Safety Trainings. Usually we hire trained and skill work force in our organization, however as per responsible producer and government directives we provide induction trainings to apprentice and young employees as a Skill India Initiative. All the existing employees also undergo training based on need of

business such as technological up gradation for production, testing and monitoring quality of the products and service embowered by our organization. On an average 15% employees are covered under skill development training.

Principle 4:

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

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

Yes

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

Yes

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

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

Principle 5:

Businesses Should Respect and Promote Human Rights

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

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

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

No complaint has been received during the financial year 2019-20

Principle 6:

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

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

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

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

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

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

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

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

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

Not Applicable

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

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

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

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

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

Nil

Principle 7:

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

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

- Gem and Jewellery Export Promotion Council
- World Diamond Council
- Responsible Jewellery Council

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

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

Principle 8:

Businesses should support inclusive growth and equitable development

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

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

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

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

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

Yes

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

During the financial year 2019-2020, Company has spent INR. 121.31 Lakhs towards CSR initiatives. Details are provided in Annexure C to the Directors Report

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

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

community, which helps in successful adoption of various initiative.

Principle 9:

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

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

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

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

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

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

There are no such cases filed and pending.

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

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

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF ASIAN STAR COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Asian Star Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Gems & Jewellery is highly working capital-intensive industry and Inventory is a major component of it. Inventory mainly consists of Rough Diamonds, Cut & Polished diamonds, Jewellery, Gold and other precious metal and precious and semi-precious stones.</p> <p>Cut & Polished Diamonds not being a standardized product requires specialized skill and knowledge for valuation.</p> <p>Because of the above reasons we have identified inventory as Key audit matter.</p>	<p>In view of the significance of the matter, we have applied the following audit procedures in this area, among other procedures to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> - We assessed the appropriateness of the inventories accounting policies and its compliances with the applicable accounting standards. - We evaluated the key controls with respect to the movement of inventory and its recording. There are sufficient and effective controls in the IT systems recording movement from manufacturing to sales. - Inventory of cut & polished diamonds is valued using Specific Identification method and in smaller sizes where it is not possible, the valuation is done using Retail Method. - We evaluated reasonableness of the management's assessment of net realizable value which is substantiated by the valuation done by a government approved valuer. Because of lockdown due to COVID-19, physical verification of the inventory could not be done as on Balance sheet date, but the same was done by the Independent valuer on resumption of operation on 11.05.2020 and it is reconciled with the balance sheet date.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 38 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Mahendra Doshi & Associates

Chartered Accountants

FRNo. 105765W

Mahendra Doshi

Proprietor

Membership No.41316

UDIN: 20041316AAAABF6897

Place : Mumbai

Date : July 30, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Asian Star Company Limited)

- i. In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The title deeds of the immovable properties are in the name of the Company.
- ii. The stocks of finished goods and raw-materials have been physically verified by the management at the reasonable intervals during the year. In our opinion the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification as compared to the book records.
- iii. According to the information and explanations given to us, the Company has not granted unsecured loans to any bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013. In view of this sub clause (a), (b) and (c) of this clause are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions, which attract provision of Sections 185 and 186 of the Act in respect of loans, investments guarantees and securities.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where the dispute is pending	Period to which amt relates	Amount in Rs. Crores	Remarks (if any)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A. Y.2012-13 & A.Y. 2017-18	9.39	-
The Customs Act, 1962	Custom Duty and Interest	Commissioner of Customs	December 09 to September 13	3.32	Demand is stayed by order of Gujarat High court

- viii. The Company has not defaulted in repayment of loans or borrowings from financial institutions, banks and government. The Company has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or obtained any term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Mahendra Doshi & Associates
Chartered Accountants
FRNo. 105765W

Mahendra Doshi
Proprietor

Membership No.41316
UDIN: 20041316AAAABF6897

Place : Mumbai
Date : July 30, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Asian Star Company Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **ASIAN STAR COMPANY LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mahendra Doshi & Associates

Chartered Accountants

FRNo. 105765W

Mahendra Doshi

Proprietor

Membership No.41316

UDIN: 20041316AAAABF6897

Place : Mumbai

Date : July 30, 2020

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
ASSETS					
Non-Current Assets					
a Property, Plant & Equipment	1	20,755.25		21,779.11	
b Investment Property		4,993.10		4,993.10	
c Financial Assets					
i) Non Current Investments	2	5,198.12		4,918.75	
ii) Other Financial Assets	3	49.45		75.70	
d Non-Current Tax Assets	4	83.22		-	
e Other Non-Current Assets	5	592.50		607.26	
			31,671.64		32,373.92
Current Assets					
a Inventories	6	50,905.80		45,710.53	
b Financial Assets					
i) Current Investments	7	1,790.42		2,603.82	
ii) Trade Receivables	8	56,422.50		63,380.71	
iii) Cash and Cash Equivalents	9	10,678.91		10,931.26	
iv) Other Bank Balances	10	9,897.28		9,242.35	
v) Loans & Advances	11	2,947.27		5,425.58	
vi) Other Financial Assets	12	265.04		-	
			1,32,907.22		1,37,294.25
TOTAL			1,64,578.86		1,69,668.17
EQUITY AND LIABILITIES					
EQUITY					
a Equity Share Capital	13	1,600.68		1,600.68	
b Other Equity	14	75,903.03		73,146.68	
			77,503.71		74,747.36
LIABILITIES					
Non-Current Liabilities					
a Financial Liabilities					
Long-Term Borrowings	15	4,877.36		4,947.50	
b Deferred Tax Liabilities (Net)	16	4,949.99		4,868.68	
c Long-Term Provisions	17	493.81		648.95	
d Non Current Tax Liabilities	18	-		218.31	
e Other Non-Current Liabilities	19	758.17		561.08	
			11,079.33		11,244.52
Current Liabilities					
a Financial Liabilities :					
i) Short-Term Borrowings	20	57,301.81		63,866.77	
ii) Trade Payables	21	17,494.35		18,479.40	
iii) Other Financial Liabilities	22	302.48		34.30	
b Other Current Liabilities	23	897.18		1,295.82	
			75,995.82		83,676.29
TOTAL			1,64,578.86		1,69,668.17
Significant Accounting Policies					
Notes on Financial Statements	1 to 54				

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants

FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated: July 30, 2020
UDIN: 20041316AAAABF6897

SUJATA NADGOUDA
Company Secretary

Place : Mumbai
Dated: July 30, 2020

For and on behalf of the Board

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated: July 30, 2020

VIPUL P. SHAH
CEO & Managing Director
DIN - 00004746

Place : Mumbai
Dated: July 30, 2020

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lacs)

PARTICULARS	NOTE	2019 - 2020		2018 - 2019	
REVENUE					
Revenue From Operations	24	2,16,279.56		2,45,019.33	
Other Income	25	(95.84)		808.32	
Total Revenue			2,16,183.72		2,45,827.65
EXPENSES					
Cost of Materials Consumed	26	1,54,863.45		1,78,045.88	
Purchases of Stock-In-Trade		15,119.83		17,502.13	
Changes in Inventories of	27	(1,303.54)		2,507.83	
Work-In-Progress & Finished Goods					
Employee Benefits Expense	28	5,881.40		5,958.44	
Finance Costs	29	1,828.07		2,665.33	
Depreciation and Amortization Expense		1,401.88		1,533.23	
Other Expenses	30	34,174.73		31,131.82	
Total Expenses			2,11,965.82		2,39,344.66
Profit Before Exceptional Items & Tax			4,217.90		6,482.99
Exceptional Items Income/(Loss)	31		(13.58)		(347.08)
Profit Before Tax			4,204.32		6,135.91
Tax expense					
Current Tax			1,354.25		1,929.63
Deferred Tax			81.32		149.64
Profit After Tax			2,768.75		4,056.64
Other Comprehensive Income			121.52		13.96
Total Comprehensive Income			2,890.27		4,070.60
Earnings Per Equity Share:					
Basic and Diluted (In Rs.)			17.30		25.34
Significant Accounting Policies					
Notes on Financial Statements	1 to 54				

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants

FRNo: 105765W

For and on behalf of the Board

MAHENDRA DOSHI

Proprietor

Membership No. 41316

Place : Mumbai

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Place : Mumbai

Dated: July 30, 2020

VIPUL P. SHAH

CEO & Managing Director

DIN - 00004746

Place : Mumbai

Dated: July 30, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH , 2020

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	4,204.32	6,135.91
Adjustment for		
- Depreciation	1,401.88	1,533.23
- Finance Costs	1,828.07	2,665.33
- Unrealised Foreign Exchange (Gain) / Loss	140.61	(834.55)
- Dividend Received	(275.54)	(268.46)
- (Profit)/Loss on sale of fixed assets	13.58	347.08
- (Profit)/Loss on sale of Investment (Net)	39.13	(1.42)
- Diminution in value of Investment written off / (written back)	484.62	(271.72)
Operating Profit Before Working Capital Changes	7,836.67	9,305.40
Adjustment for		
- Receivables	9,673.83	13,046.27
- Inventories	(5,195.27)	5,500.65
- Loans & Advances	2,254.29	(1,113.22)
- Current and Non Current Liabilities	(1,445.56)	(12,970.88)
Cash generated from / (used in) Operations	13,123.96	13,768.22
- Taxation	(1,655.78)	(1,862.49)
Cash flow before Extraordinary items	11,468.18	11,905.73
Net cash from / (used in) Operating Activities	11,468.18	11,905.73
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(405.27)	(880.22)
- Sale of Fixed Assets	13.66	137.52
- (Purchase) / Sale of Investments (net)	10.26	(417.33)
- Dividend Received	275.54	268.46
Net Cash from / (used in) Investing Activities	(105.81)	(891.57)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Long Term Borrowings	(70.14)	2,693.64
- Short Term Borrowings	(8,821.48)	(11,622.04)
- Finance Costs	(1,828.07)	(2,665.33)
- Dividend Paid	(240.10)	(240.10)
Net cash from / (used in) Financing Activities	(10,959.79)	(11,833.83)
Net increase / (decrease) in Cash & Cash Equivalents	(402.58)	(819.67)
Cash & Cash equivalents as at 1st April (Opening)-*	20,173.61	20,993.28
Cash & Cash equivalents as at 31st March (Closing)-*	20,576.19	20,173.61

*Includes Fixed deposits of Rs. 16,325.10 lacs (FY 18-19 Rs. 16,340.31 lacs) pledged as collateral securities with banks for facilities obtained / kept as margin money against Bank Guarantee which includes Fixed Deposits of Rs. 9,897.28 lacs (FY 18-19 Rs. 9,242.35 lacs) maturing after 3 months.

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants
FRNo: 105765W

For and on behalf of the Board

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated: July 30, 2020
UDIN: 20041316AAAABF6897

SUJATA NADGOUDA
Company Secretary

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

Place : Mumbai
Dated: July 30, 2020

VIPUL P. SHAH
CEO & Managing Director
DIN - 00004746

Place : Mumbai
Dated: July 30, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**A. EQUITY SHARE CAPITAL**

(Rs. in lacs)

PARTICULARS	Balance at the beginning of the period April 1, 2018	Changes in Equity share capital during the year 2018-19	Balance at the end of reporting period March 31, 2019	Changes in Equity share capital during the year 2019-20	Balance at the end of the reporting period March 31, 2020
Equity Share Capital	1,600.68	-	1,600.68	-	1,600.68

B. OTHER EQUITY

(Rs. in lacs)

Particulars	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
AS ON MARCH 31, 2019						
Balance at the beginning of the reporting period i.e. April 1, 2018	298.16	1,986.44	16,563.68	50,876.99	(401.85)	69,323.42
Total Income for the year	-	-	-	4,056.64	13.96	4,070.60
Dividend	-	-	-	(240.10)	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-
Provision for tax of Earlier Years written off	-	-	-	(7.24)	-	(7.24)
Balance at the end of the reporting period i.e. March 31, 2019	298.16	1,986.44	16,763.68	54,486.29	(387.89)	73,146.68
AS ON MARCH 31, 2020						
Balance at the beginning of the reporting period i.e. April 1, 2019	298.16	1,986.44	16,763.68	54,486.29	(387.89)	73,146.67
Total Income for the year	-	-	-	2,768.74	227.71	2,996.46
Dividend	-	-	-	(240.10)	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-
Balance at the end of the reporting period i.e. March 31, 2020	298.16	1,986.44	16,963.68	56,814.93	(160.18)	75,903.03

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATESChartered Accountants
FRNo: 105765W**MAHENDRA DOSHI**
Proprietor
Membership No. 41316Place : Mumbai
Dated: July 30, 2020
UDIN: 20041316AAAABF6897**SUJATA NADGOUDA**
Company SecretaryPlace : Mumbai
Dated: July 30, 2020**For and on behalf of the Board****DINESH T. SHAH**
Chairman & CFO
DIN - 00004685Place : Mumbai
Dated: July 30, 2020**VIPUL P. SHAH**
CEO & Managing Director
DIN - 00004746Place : Mumbai
Dated: July 30, 2020

A. CORPORATE INFORMATION

Asian Star Company Limited (The Company) is a public limited company domiciled and incorporated in India. Its shares are listed on the Bombay stock exchange in India.

The Company is one of the world's leading diamantaires primarily engaged in the business of diamond cutting and polishing, jewellery manufacturing and retailing. The Company is also engaged in generation of electricity through wind power in India.

B. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

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

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

2. Accounting Policies requiring Management Judgement and Key Sources of Estimation Uncertainty

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

i. Revenue Recognition

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

ii. Useful life of Property, Plant and Equipment

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

iii. Income Taxes

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

iv. Fair Value

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

v. Inventory Valuation

Valuation of Inventory of Cut & Polished diamonds is a technical subject requires technical skill, knowledge and judgment. Its valuation is derived based on assessment by the Management and valuation carried out by the Government approved valuer based on physical verification of goods.

3. Summary of Significant Accounting Policies

a. Use of Estimates

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

b. Presentation of True and Fair View

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

c. Going Concern

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

d. Accrual Basis

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

e. Materiality

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

f. Basis of Measurement

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

g. Offsetting

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

h. Functional and Presentation Currency

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

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

i. Foreign Currency Transactions

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

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

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

j. Tangible Fixed Assets (PPE & CWIP)

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

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

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

k. Depreciation on Tangible Fixed Assets

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

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

l. Investment Property

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

m. Borrowing Costs

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

n. Inventories

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

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

Consumables are valued at cost.

Valuation of Diamonds and Jewellery is a technical subject requiring specialized knowledge and skills. Valuation is derived based on assessment by the management and valuations carried on by Government Approved Valuer. Due to countrywide lockdown on account of COVID-19, physical verification of stock could not be taken on the balance sheet date. The independent valuer along with management has taken physical stock on 11.05.2020 when company resumed its operations and accordingly stock was reconciled for the balance sheet date.

o. Revenue Recognition

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

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

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

p. Government Grants

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

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

q. Retirement and other Employee Benefits**Short Term Employee Benefits**

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

Defined Contribution Plans

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

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

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

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

Defined Benefit Plans

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

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

r. Taxes on Income

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

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

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

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

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

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

s. Earnings Per Share

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

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

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

t. Provisions, Contingent Liabilities and Contingent Assets

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

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

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

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

u. Cash and Cash Equivalents

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

v. Related Party Disclosures

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

w. Dividend

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

x. Financial Instruments

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

Financial Assets - Trade Receivables

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

Impairment of Trade receivables

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

Financial Assets - Investments

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

Investment in subsidiary and Joint Venture are accounted at cost using equity method of accounting.

Financial Assets - Loans and Advances to Staff

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

Impairment of Loans and Advances to Staff

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

Financial Liabilities - Interest-bearing Borrowings

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

Financial Liabilities - Trade Payables

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

Financial Liabilities - Derivative Financial Instruments

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

Offsetting Financial Instruments

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. PROPERTY, PLANT & EQUIPMENT

(Rs. in lacs)

	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
Description of Assets	As at April 1, 2019	Additions	*Deductions	As at March 31, 2020	As at April 1, 2019	For the Year	*Deductions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Tangible Assets										
Land	6,076.34	-	-	6,076.34	16.02	-	-	16.02	6,060.32	6,060.32
Office Premises	1,478.93	-	-	1,478.93	163.90	52.15	-	216.05	1,262.88	1,315.03
Factory Premises	6,177.12	-	-	6,177.12	844.88	133.09	-	977.97	5,199.15	5,332.24
Plant & Machinery	14,953.59	211.24	816.73	14,348.10	7,231.22	845.20	794.21	7,282.21	7,065.89	7,722.37
Vehicles	978.41	65.40	89.63	954.18	538.78	99.65	84.96	553.47	400.71	439.63
Furniture & Fixtures	1,182.71	30.55	0.94	1,212.32	926.19	86.24	0.95	1,011.48	200.84	256.52
Office Equipments	2,090.70	73.34	0.41	2,163.63	1,490.09	139.72	0.41	1,629.40	534.23	600.61
Computer	823.33	24.74	7.54	840.53	770.94	45.83	7.47	809.30	31.23	52.39
Intangible Assets										
Computer Software	18.13	-	-	18.13	18.13	-	-	18.13	-	-
CURRENT YEAR	33,779.26	405.27	915.25	33,269.28	12,000.15	1,401.88	888.00	12,514.03	20,755.25	21,779.11
PREVIOUS YEAR	33,742.17	901.02	863.93	33,779.26	10,825.45	1,533.23	358.53	12,000.15	21,779.11	22,916.72

*Note : Deduction includes Plant & Machinery amounting to Rs. 789.84 Lacs discarded on completion of its useful life. Correspondingly Rs. 789.84 Lacs of accumulated depreciation has been included in depreciation column.

2. NON CURRENT INVESTMENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Unquoted Equity Instruments		
a) In Wholly Owned Subsidiary Companies at cost (all fully paid)		
Asian Star Co.Ltd., USA 5 (5) Shares of US\$ 1,00,000 each	178.75	178.75
Asian Star DMCC 200 (200) Shares of AED 1,000 each	62.23	62.23
Asian Star Trading (Hongkong) Ltd 10,000 (10,000) Shares of HK\$ 100 each	103.58	103.58
b) In Other Companies at Fair Market value:- (all fully paid)		
Indian Commodity Exchange Ltd. 1,67,50,000 (1,67,50,000) Shares of Rs. 5 each	2,010.00	2,010.00
Utkarsh Coreinvest Ltd. 90,000 (90,000) Shares of Rs. 10 each	117.00	117.00
Other Investments		
Ratnanjali Infra LLP (Partnership Firm)	2,726.56	2,447.19
Total	5,198.12	4,918.75

3. OTHER FINANCIAL ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Deposits with Others	10.49	37.19
Security Deposits	38.96	38.51
Total	49.45	75.70

4. NON CURRENT TAX ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Taxation	83.22	-
Total	83.22	-

5. OTHER NON CURRENT ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Capital Advances	364.91	375.91
Security Deposit	227.39	231.10
Preliminary Expenditure (to the extent not written off)	0.20	0.25
Total	592.50	607.26

6. INVENTORIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Raw Materials	15,745.22	11,928.31
Work In Progress	4,912.20	6,410.96
Finished Goods	30,121.30	27,319.00
Consumables	127.08	52.26
(Inventories are valued as per point no. 3(n) to significant accounting policies)		
Total	50,905.80	45,710.53

7. CURRENT INVESTMENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020		AS AT MARCH 31,2019	
Investments carried at Fair Value through profit & loss (FVTPL)				
Investments in Bond				
Sovereign Gold Bond Scheme (800 (800) Units)	23.31		23.31	
A		23.31		23.31
Investments in Equity				
<u>Quoted, fully paid up</u>				
Windsome Diamonds & Jewellery Ltd. Nil (1,000) Shares of Rs. 10 each	-		0.01	
Titan Company Limited 4,386 (24,385) Shares of Re.1 each	40.94		277.38	
Reliance Communications Ltd 100,000 (1000,000) Shares of Rs.5 each	0.69		4.14	
Aarti Industries Ltd 20,060 (9,831) Shares of Rs. 5 each	156.56		154.65	
Aegis Logistics Ltd 47,175 (49,570) Shares of Re.1 each	66.27		100.61	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
Amber Enterprises India Ltd 1,530 (Nil) Shares of Re. 1 each	96.77		-	
APL Apollo Tubes Ltd 6,260 (4,440) Shares of Re. 10 each	76.52		63.92	
Exide Industries Ltd Nil (26,435) Shares of Re. 1 each	-		57.80	
HDFC Bank Ltd 15,837 (8,077) Shares of Rs. 2 each	131.58		187.10	
Indian Energy Exch Ltd Nil (31,630) Shares of Re. 1 each	-		52.00	
La Opala RG Ltd Nil (22,780) Shares of Rs. 2 each	-		49.28	
KEI Industries Ltd 21,325 (15,775) Shares of Rs. 2 each	59.94		67.14	
Maruti Suzuki Ltd Nil (1,658) Shares of Rs. 5 each	-		110.62	
Navin Fluorine Intl Ltd 10,200 (12,000) Shares of Rs. 2 each	122.54		72.54	
Odisha Cement Ltd 10,112 (5,412) Shares of Rs. 2 each	45.85		53.57	
Quess Corp Ltd 440 (6,315) Shares of Rs. 10 each	0.94		47.53	
Shilpa Medicate Ltd 11,088 (11,088) Shares of Re. 1 each	28.46		37.72	
Voltas Ltd Nil (8,014) Shares of Re. 1 each	-		50.52	
Axis Bank Ltd 7,055 (6,200) Shares of Rs. 2 each	26.76		48.12	
Bajaj Auto Ltd 1,404 (1,600) Shares of Rs. 10 each	28.43		46.64	
Bajaj Finance Ltd 5,135 (2,301) Shares of Rs. 2 each	114.06		69.60	
Bandhan Bank 419 (5,200) Shares of Rs. 10 each	0.85		27.30	
Divis Laboratories Ltd 1,873 (Nil) Shares of Rs. 2 each	37.23		-	
INFO Edge (India) Ltd 4,000 (4,000) Shares of Rs. 10 each	81.45		73.71	
Infosys Ltd Nil (6,000) Shares of Rs. 5 each	-		44.54	
Sterling & Wilson Solar Ltd 126 (Nil) Shares of Re. 1 each	0.10		-	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020		AS AT MARCH 31,2019	
Tata Consultancy Service Ltd 2,440 (Nil) Shares of Re. 1 each	44.48		-	
Tata Elexi Ltd 2,603 (4,572) Shares of Rs. 10 each	16.40		44.04	
United Spirits Ltd 10,000 (10,000) Shares of Rs. 2 each	48.51		55.30	
Varun Beverages Ltd 14,577 (9,751) Shares of Rs. 10 each	77.34		84.36	
Aavas Financiers Ltd 214 (Nil) Shares of Rs. 10 each	2.54		-	
Bajaj Finserv Ltd 107 (126) Shares of Rs. 5 each	4.91		8.86	
Berger Paints India Ltd 1,626 (2,038) Shares of Re. 1 each	8.08		6.60	
Britania Industries Ltd 246 (194) Shares of Re. 1 each	6.62		5.98	
Dabur India Ltd 1,554 (894) Shares of Re. 1 each	7.00		3.66	
Gujarat Gas Ltd 753 (Nil) Shares of Rs. 2 each	1.75		-	
Hindustan Unilever Ltd 207 (Nil) Shares of Re. 1 each	4.76		-	
ICICI Lombard General Ins.Co.Ltd 432 (Nil) Shares of Re. 1 each	4.65		-	
Eicher Motors Ltd Nil (29) Shares of Rs. 10 each	-		5.96	
Gruh Finance Ltd Nil (1,434) Shares of Rs. 2 each	-		3.96	
HDFC Life Ins Co Ltd 16,450 (718) Shares of Rs. 10 each	70.01		2.72	
Indusind Bank Ltd Nil (257) Shares of Rs. 10 each	-		4.58	
Kaveri Seed Co Ltd 483 (483) Shares of Rs. 2 each	1.65		2.22	
Page Industries 30 (28) Shares of Rs. 10 each	5.08		6.97	
Petronet LNG Ltd Nil (1,417) Shares of Rs. 10 each	-		3.55	
Pidilite Industries Ltd 231 (Nil) Shares of Rs. 10 each	3.13		-	
Reliance Industries Ltd Nil (298) Shares of Rs. 10 each	-		4.06	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
SBI Life Insurance Co. Ltd 380 (Nil) Shares of Rs. 10 each	2.44		-	
Shree Cements Ltd 12 (Nil) Shares of Rs. 10 each	2.11		-	
Supreme Industries Ltd Nil (332) Shares of Rs. 2 each	-		3.70	
Aarti Surfactants Ltd 16 (Nil) Shares of Rs. 10 each	0.24		-	
Astral Poly Technik Ltd 273 (219) Shares of Re. 1 each	2.52		2.54	
AIA Engineering Ltd Nil (140) Shares of Rs. 2 each	-		2.51	
Balkrishna Industries Ltd Nil (274) Shares of Rs. 2 each	-		2.73	
Cholamandalam Inv & Fin Co Ltd 1,010 (202) Shares of Rs. 10 each	1.55		2.92	
Greenlam Industries Ltd Nil (265) Shares of Rs. 5 each	-		2.51	
Havells India Ltd 986 (173) Shares of Re. 1 each	4.73		1.33	
Kajaria Ceramics Ltd 1,110 (1,110) Shares of Re. 1 each	4.18		6.55	
MAS Fin Serv Ltd 470 (450) Shares of Rs. 10 each	2.47		2.55	
Nestle India Ltd 21 (14) Shares of Rs. 10 each	3.42		1.54	
PI Ind Ltd 240 (272) Shares of Rs. 10 each	2.81		2.81	
Pidilite Ind Ltd 257 (257) Shares of Re. 1 each	3.49		3.19	
PNB Housing Fin Ltd Nil (251) Shares of Rs. 10 each	-		2.17	
Relaxo Footware Ltd 582 (334) Shares of Rs. 1 each	3.47		2.59	
Sanofi India Ltd 30 (Nil) Shares of Rs. 10 each	1.87		-	
Siyaram Silk Mills Ltd Nil (543) Shares of Rs. 2 each	-		2.42	
Solar Industries Ltd 228 (228) Shares of Rs. 2 each	2.07		2.45	
Tasty Bite Eatables Ltd Nil (16) Shares of Rs. 10 each	-		1.34	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
Alkem Lab Ltd 201 (201) Shares of Rs. 2 each	4.67		3.52	
Au Small Finance Bank Ltd. 1,046 (835) Shares of Rs. 10 each	5.30		4.97	
Bayer Cropscience Ltd 36 (36) Shares of Rs. 10 each	1.24		1.59	
Birla Corporation Ltd 832 (832) Shares of Rs. 10 each	3.45		4.36	
Blue Star Ltd 481 (513) Shares of Rs. 2 each	2.21		3.48	
Canfin Homes Ltd 25,207 (1,007) Shares of Rs. 2 each	69.36		3.51	
Development Credit Bank Ltd 4,320 (4,502) Shares of Rs. 10 each	4.10		9.22	
Dhanuka Agritech Ltd 334 (334) Shares of Rs. 2 each	1.09		1.30	
Dishman Carbogen Amcis Ltd Nil (1,266) Shares of Rs. 2 each	-		2.64	
Dr Lal Path Ltd 289 (318) Shares of Rs. 10 each	4.05		3.32	
Gabriel India Ltd 2,707 (2,707) Shares of Rs. 1 each	1.44		3.91	
Glaxo Smithkline Consumer Healthcare Ltd 16 (16) Shares of Rs. 10 each	1.60		1.16	
ICICI Securities Ltd 262 (Nil) Shares of Rs. 5 each	0.72		-	
IIFL Finance Ltd 352 (Nil) Shares of Rs. 2 each	0.26		-	
IIFL Securities Ltd 352 (Nil) Shares of Rs. 2 each	0.11		-	
IIFL Holdings Ltd Nil (352) Shares of Rs. 2 each	-		1.51	
ITD Cement India Ltd 1,695 (1,695) Shares of Re. 1 each	0.50		2.23	
Laxmi Vilas Bank Ltd Nil (3,012) Shares of Rs. 10 each	-		2.14	
Mahanagar Gas Ltd 445 (445) Shares of Rs. 10 each	3.64		4.69	
Suprajit Engg Ltd 640 (640) Shares of Re. 1 each	0.72		1.57	
TTK Prestige Ltd 80 (67) Shares of Rs. 10 each	3.89		5.85	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
V-Mart Retail Ltd 36 (36) Shares of Rs. 10 each	0.51	1,598.38	0.97	2,048.21
VIP Industries Ltd 12,592 (237) Shares of Rs. 2 each	29.29		1.15	
B				
Investments in Mutual Fund				
Reliance Liquid Fund - Div Reinvestment 23,653 (107) Units	0.29		237.15	
Reliance Liquid Fund Direct-Growth Nil (904) Units	-		41.23	
HDFC Small Cap Fund Direct Growth Plan 1,55,122 (1,55,122) Units	31.40		74.10	
Kotak Select Focus Fund Direct Plan Growth 2,15,853 (2,15,853) Units	62.58		81.42	
Motilal Oswal Most Focused Multicap35 Fund 3,61,232 (3,61,232) Units	74.47		98.41	
C				
		168.74		532.31
Total	A+B+C	1,790.42		2,603.82

8. TRADE RECEIVABLES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
Unsecured		1,501.98		1,448.42
Over six months from due date				
Considered Good	1,501.98		1,448.42	
Considered Doubtful	-		0.41	
	1,501.98		1,448.83	
Less: Provision for doubtful debts	-		0.41	
				1,448.42
Others				61,932.29
Considered Good		54,920.52		
Total		56,422.50		

9. CASH AND CASH EQUIVALENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Balances with Banks	3,668.66	3,790.91
Fixed Deposits with Banks	6,994.36	7,116.00
Cash on hand	15.89	24.35
Total	10,678.91	10,931.26

- Balance with banks include unclaimed Dividend of Rs. 0.13 Lacs (For F.Y. 2018-19 it was Rs. 0.21 Lacs), & unclaimed fractional entitlement Rs. 0.17 Lacs (For F.Y.2018-19 it was Rs. 0.17 Lacs).
- Fixed Deposits with banks includes deposits of Rs. 6,395.40 Lacs (For F.Y. 2018-19 it was Rs. 7,067.37 Lacs) pledged as collateral securities with the bank as security for facilities obtained.
- Fixed Deposits with banks includes deposits of Rs. 32.41 Lacs (For F.Y. 2018-19 it was Rs. 30.59 Lacs) kept as margin money against bank guarantees.

10. OTHER BANK BALANCES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Fixed Deposits with Banks	9,897.28	9,242.35
Total	9,897.28	9,242.35

- Fixed Deposits with banks include deposits of Rs. 568.41 Lacs (For FY 2018-19 it was Rs. 976.75 Lacs) with maturity of more than 12 months.
- Fixed Deposits with banks includes deposits of Rs. 9,045.20 Lacs (For F.Y. 2018-19 it was Rs. 8,460.92 Lacs) pledged as collateral securities with the bank as security for facilities obtained.
- Fixed Deposits with banks includes deposits of Rs. 852.08 Lacs (For F.Y. 2018-19 it was Rs. 781.43 Lacs) kept as margin money against bank guarantees.

11. LOANS AND ADVANCES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Loans & Advances Others *		
Unsecured, considered good	2,947.27	5,425.58
Total	2,947.27	5,425.58

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

12. OTHER FINANCIAL ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Derivatives - Foreign Exchange Contracts	265.04	-
Total	265.04	-

13. SHARE CAPITAL

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs.10 each	2,500.00	2,500.00
4,00,00,000 (4,00,00,000) Redeemable Cumulative Preference Shares of Rs.10 each	4,000.00	4,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each	1,600.68	1,600.68
Total	1,600.68	1,600.68

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

NAME OF THE SHAREHOLDERS	As at March 31, 2020		As at March 31, 2019	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
Vipul Prabodh Shah	40,00,050	24.99	40,00,050	24.99
Nirmala Dinesh Shah	18,00,000	11.25	18,00,000	11.25
Arvind Tarachand Shah	15,84,450	9.90	15,84,450	9.90
Priyanshu Arvind Shah	12,15,450	7.59	12,15,450	7.59
Rasila Arvind Shah	12,00,000	7.50	12,00,000	7.50
Dharmesh Dinesh Shah	11,50,000	7.18	11,50,000	7.18
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
Total	1,19,50,000	74.66	1,19,50,000	74.66

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

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Equity shares at the beginning of the year	1,60,06,800	1,60,06,800
Equity shares at the end of the year	1,60,06,800	1,60,06,800

14. OTHER EQUITY

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
Capital Reserves				
As per Last Balance Sheet		298.16		298.16
Capital Redemption Reserve				
As per Last Balance Sheet		1,986.44		1,986.44
General Reserves				
As per Last Balance Sheet	16,763.68		16,563.68	
Add : Transfer from Surplus Account	200.00		200.00	
		16,963.68		16,763.68
Other Comprehensive Income		[160.18]		[387.89]
Surplus Account				
As per last Balance Sheet	54,486.28		50,876.99	
Add: Profit for the Year	2,768.75		4,056.64	
	57,255.03		54,933.63	
Less: Appropriations				
Transferred to General Reserve	200.00		200.00	
Dividend on Equity Shares	240.10		240.10	
(Dividend per Share Rs.1.50/-)				
(Previous Year Dividend per Share Rs.1.50/-)				
Provision for Tax of Earlier Years written off	-		7.24	
	440.10		447.34	
		56,814.93		54,486.29
Total		75,903.03		73,146.68

15. LONG TERM BORROWINGS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Unsecured Loans		
Loan from Related Party- Directors	4,877.36	4,947.50
Total	4,877.36	4,947.50

16. DEFERRED TAX LIABILITY

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Deferred Tax Liability on account of :		
Property, Plant & Equipment	5,200.46	5,035.42
Others	-	45.60
A	5,200.46	5,081.02
Deferred Tax Asset on account of :		
Provision for Doubtful Debts	20.11	20.11
Gratuity Liability	219.51	192.23
Others	10.85	-
B	250.47	212.34
Deferred Tax Liability (Net)	4,949.99	4,868.68

17. LONG TERM PROVISIONS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Provision for Employee Benefits		
Provision for Gratuity	493.81	648.95
Total	493.81	648.95

18. NON CURRENT TAX LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Taxation	-	218.31
Total	-	218.31

19. OTHER NON-CURRENT LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Deferred Income (Liability)	758.17	561.08
Total	758.17	561.08

20. SHORT TERM BORROWINGS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Secured Loans		
Working Capital Loan from Banks	48,341.04	54,999.34
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Mortgage of Premises at Mumbai & Surat		
d. Guaranteed by some of the Directors in their personal capacity		
Unsecured Loans		
Loan from Related Party- Directors	8,960.77	8,867.43
Total	57,301.81	63,866.77

21. TRADE PAYABLES

(Rs. in lacs)

PARTICULARS		AS AT MARCH 31,2020	AS AT MARCH 31,2019
Creditors for Goods			
Total outstanding dues of micro enterprises and small enterprises		338.16	66.94
Others		16,743.09	15,712.40
	A	17,081.25	15,779.34
Creditors for Processing			
Total outstanding dues of micro enterprises and small enterprises		-	-
Others		413.10	2,700.06
	B	413.10	2,700.06
Total	A+B	17,494.35	18,479.40

22. OTHER FINANCIAL LIABILITIES

(Rs. in lacs)

PARTICULARS		AS AT MARCH 31,2020	AS AT MARCH 31,2019
Derivatives - Foreign Exchange Contracts		302.48	34.30
Total		302.48	34.30

23. OTHER CURRENT LIABILITIES

(Rs. in lacs)

PARTICULARS		AS AT MARCH 31,2020	AS AT MARCH 31,2019
Unclaimed Dividend		0.13	0.21
Other Payables*		897.05	1,295.61
Total		897.18	1,295.82

* Includes statutory dues and payable for expenses /services.

24. REVENUE FROM OPERATIONS

(Rs. in lacs)

PARTICULARS		2019 - 2020	2018 - 2019
Sale of Products		2,15,257.25	2,44,345.22
Sale of Services		1,022.31	674.11
Total		2,16,279.56	2,45,019.33

Note: The above includes net gain / (loss) on exchange fluctuation, as mentioned in note no. 47

24.1 PARTICULARS OF SALE OF PRODUCTS

(Rs. in lacs)

PARTICULARS		2019 - 2020	2018 - 2019
Diamonds		1,50,434.25	1,84,768.06
Jewellery		64,309.19	58,974.58
Power- Windmill		513.81	602.58
Total		2,15,257.25	2,44,345.22

25. OTHER INCOME

(Rs. in lacs)		
PARTICULARS	2019 - 2020	2018 - 2019
Dividend Income	275.54	268.46
Miscellaneous Receipts	15.55	1.88
Fair Value Gain / (loss) on Investments	(484.62)	271.72
Insurance Claim -Diamonds	-	48.78
Other Interest Income	51.48	50.66
Service Tax Refund	7.26	9.96
Duty Benefit on import of machinery	45.84	45.16
Net gain/(loss) on sale of Investments	(57.04)	(2.51)
Share of profit /(loss) from Partnership firm	17.91	3.93
Net Gain/(loss) on foreign currency transactions and translation	(95.92)	(31.49)
Financial Guarantee Commission	128.16	141.77
Total	(95.84)	808.32

26. COST OF MATERIALS CONSUMED

(Rs. in lacs)		
PARTICULARS	2019 - 2020	2018 - 2019
Stock at the Commencement	11,928.31	14,925.47
Purchases during the year	1,58,680.36	1,75,048.72
	1,70,608.67	1,89,974.19
Less : Stock at the Close	15,745.22	11,928.31
Total	1,54,863.45	1,78,045.88

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

(Rs. in lacs)		
PARTICULARS	2019 - 2020	2018 - 2019
Variation in Stock of Work-In-Progress		
Stock at the Commencement	6,410.96	4,737.29
Less: Stock at the Close	4,912.20	6,410.96
A	1,498.76	(1,673.67)
Variation in Stock of Finished Goods		
Stock at the Commencement	27,319.00	31,500.50
Less: Stock at the Close	30,121.30	27,319.00
B	(2,802.30)	4,181.50
Total	(1,303.54)	2,507.83

28. EMPLOYEE BENEFITS EXPENSE

(Rs. in lacs)

PARTICULARS	2019 - 2020	2018 - 2019
Salary & Bonus	3,800.09	3,488.54
Director's Remuneration	600.00	600.00
Wages	889.16	1,239.82
Gratuity	109.42	127.23
Ex Gratia & Leave Encashment	156.40	183.99
Labour Welfare Fund Expenses	3.89	0.59
Contribution to Provident Fund	234.70	224.60
Group Health Insurance Premium	16.46	3.46
Contribution to E.S.I.C.	36.85	50.24
Staff Welfare Expenses	34.43	39.97
Total	5,881.40	5,958.44

29. FINANCE COSTS

(Rs. in lacs)

PARTICULARS	2019 - 2020	2018 - 2019
Interest Expense	1,545.15	2,376.06
Other borrowing costs	280.68	286.42
Other Interest	2.24	2.85
Total	1,828.07	2,665.33

30. OTHER EXPENSES

(Rs. in lacs)

PARTICULARS	2019 - 2020		2018 - 2019	
Manufacturing Expenses				
Processing Expenses	28,186.09		25,450.08	
Electricity, Power & Fuel	445.16		430.29	
Promotion Fund Expenses on Import	15.49		15.82	
Consumables	462.33		411.94	
Factory Expenses	221.56		106.43	
		29,330.63		26,414.56
Administrative / Selling & Distribution Expenses				
Bank Comission & Charges	247.33		278.88	
Electrical Charges	39.59		52.58	
Telephone, Internet and Fax Charges	70.36		70.37	
Local Travelling and Conveyance	62.95		74.48	
Legal & Professional fees	493.13		202.68	
Audit Fees	9.00		9.00	
Printing & Stationery	55.92		58.08	
Repairs & Maintenance (Other)	138.14		132.83	
Repairs & Maintenance (Building)	9.42		36.50	
Repairs & Maintenance (Plant & Machinery)	75.38		80.75	
Repairs & Maintenance (Windmill)	247.77		261.22	
Postage and Courier	64.07		79.83	
Motor Car Expenses	76.94		76.15	
Provision for Doubtful Debts	-		(58.12)	
Bad Debts (net of Recovery)	59.53		65.76	
Insurance Premium	95.39		113.09	
Rent & Compensation	117.13		126.66	
Donation	41.10		37.23	
CSR Expenditure	121.31		96.65	
Office Canteen Expenses	79.91		79.26	
Office Expenses	24.62		22.18	
Director's Sitting Fees	2.60		1.03	
Sundry Expenses	101.59		127.45	
Security Charges	89.84		79.68	
Membership and Subscription	20.74		28.03	
Service tax paid	223.22		-	
Advertisement	12.94		18.75	
Sales Expenses	336.15		244.11	
Foreign Travelling	231.65		258.39	
Commission on Sales	284.18		415.23	
Re-Assortment Charges	20.66		25.89	
Freight & Clearing Charges	246.12		223.85	
Agency Charges	23.82		24.03	
E.C.G.C. Premium	182.74		175.97	
Diamond Grading & Inscription Charges	871.59		1,136.58	
Preliminary Expenses Written off	0.05		0.06	
Packing Expenses	67.22		62.15	
		4,844.10		4,717.26
Total		34,174.73		31,131.82

31. EXCEPTIONAL ITEMS

(Rs. in lacs)

PARTICULARS	2019 - 2020	2018 - 2019
Net gain/(loss) on sale of Fixed Assets	(13.58)	(347.08)
Total	(13.58)	(347.08)

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:

PARTICULARS	(Rs. in lacs)
Employers Contribution to Provident Fund & Family Pension Fund	234.70
Employers Contribution to Employees State Insurance Scheme	36.85
Employers Contribution to Labour Welfare Fund	3.89

b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2020 and recognized in the financial statement in respect of Employee Benefits Scheme:

(Rs. in lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
I) Assumptions	(%)
a) Expected Return on Plan Assets	6.86 %
b) Rate of Discounting	6.86 %
c) Rate of Salary Increase	1.00 %
d) Rate of Employee Turnover	2.00 %
II) Change in Present value of Projected Benefit Obligation	
a) Present value of benefit obligation at beginning of the year	1,053.79
b) Current Service Cost	67.14
c) Interest Cost	82.09
d) Benefit Paid from the fund	(76.32)
e) Actuarial (gain)/loss on obligation	(130.32)
f) Present value of obligation as at end of the year	996.38
III) Change in fair value of Plan Assets	
a) Fair value of the Plan Assets at the beginning of the year	511.03
b) Interest Income	39.81
c) Contributions by the Employer	36.86
d) Benefit Paid from the fund	(76.32)
e) Return on Plan Assets, Excluding Interest Income	(8.81)
f) Fair value of Plan Assets at the end of the year	502.57
IV) Amount Recognized in the Balance Sheet	
a) Present value of benefit obligation at the end of the year	(996.38)
b) Fair Value of Plan Assets at the end of the year	502.57
c) Funded Status (Surplus/ (Deficit))	(493.81)
d) Net (Liability)/Asset Recognized in the Balance Sheet	(493.81)
V) Expenses Recognized in the Statement of Profit & Loss	
a) Net Interest Cost	42.28
b) Current Service Cost	67.14
c) Expenses recognized in Profit & Loss Statement	109.42

(Rs. in lacs)	
DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
VII) Expenses Recognized in the Other Comprehensive Income (OCI) for Current period	
a) Actuarial (Gains)/Losses on Obligation for the Period	(130.32)
b) Return on Plan Assets, excluding Interest Income	8.81
c) Net (Income)/Expense for the Period Recognized in OCI	(121.51)
VIII) Sensivity Analysis	
Projected Benefit Obligation on Current Assumptions	996.38
Delta effect of +1% change in rate of Discounting	(74.79)
Delta effect of -1% change in rate of Discounting	85.73
Delta effect of +1% change in rate of Salary Increase	77.09
Delta effect of -1% change in rate of Salary Increase	(68.03)
Delta effect of +1% change in rate of Employee Turnover	48.52
Delta effect of -1% change in rate of Employee Turnover	(53.74)

33. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended dividend of Rs. 1.50 per fully paid up equity share of Rs. 10/- each, aggregating to Rs. 290.93 Lacs including Rs. 50.83 Lacs dividend distribution tax for the financial year 2019-20, which is based on relevant share capital as on March 31, 2020. The actual dividend amount will be dependent on the relevant share capital outstanding on the record date / book closure.

34. TAXATION

Income tax recognized in statement of profit and loss :

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
Current tax	1,354.25	1,929.63
Deferred tax	81.32	149.64
Income tax expense recognised in statement of profit and loss	1,435.57	2,079.27

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

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
Profit before tax	4,217.90	6,482.99
Applicable tax rate	34.320%	34.940%
Computed Tax Expense	1,447.58	2,265.16
Tax effect of:		
Exempted income	(86.40)	(120.49)
Expenses disallowed	454.69	104.35
Differential tax rate on income of SEZ unit & dividend from foreign subsidiary	(461.62)	(319.39)
Current Tax Provision A	1,354.25	1,929.63
Incremental/(Decremental) Deferred tax Liability on account of Tangible Assets	165.02	157.85
Incremental/(Decremental) Deferred tax Liability on account of other items	(83.72)	(8.21)
Deferred Tax Provision B	81.32	149.64
Tax Expenses recognised in Statement of Profit and Loss A+B	1,435.57	2,079.27
Effective Tax Rate	34.04%	32.07%

35. RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH, 2020**(i) List of Related Parties and relationships:**

(A) Particulars of Enterprises controlled by the Company Name of Related Party Asian Star Company Ltd. - (U.S.A.) Asian Star DMCC Asian Star Trading (Hong Kong) Ltd.	Relationship Wholly owned Subsidiary Wholly owned Subsidiary Wholly owned Subsidiary
(B) Particulars of Key Management Personnel Name of Related Party Dinesh T. Shah Vipul P. Shah Dharmesh D. Shah Arvind T. Shah Priyanshu A. Shah Rahil V. Shah	Relationship Chairman & CFO CEO & Managing Director Director Executive Director Executive Director Executive Director
(C) Particulars of Enterprises Under Common control of the Key Management Personnel Jewel Art Asian Star Diamonds International Pvt. Ltd. Shah Manufacturers Rahil Agencies A'Star Exports	
(D) Particulars of Relatives of Key Management Personnel where there are transactions Himanshu A. Shah Pooja P. Shah Sujata V. Shah Gemasia B.V.B.A. (Relative of director has a significant influence) A M Exports (Relative of director has a significant influence)	

(ii) Transactions during the year with Related Parties

(Rs. in lacs)

Particulars	Name of the Party	2019-2020		2018-2019	
		Volume	Amount Outstanding as on 31.03.2020	Volume	Amount Outstanding as on 31.03.2019
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	11,229.79	2,686.90	13,323.34	3,761.22
	Jewel Art (Unit-II)	147.73	147.73	611.71	246.49
	Gemasia B.V.B.A.	2,894.34	425.62	4,325.26	2,118.70
Sale of Rough Diamonds	A. M. Exports	210.79	Nil	79.76	Nil
	Gemasia B.V.B.A.	Nil	Nil	299.91	Nil
Purchase of Rough Diamonds	Asian Star DMCC	34,057.66	9,129.51	15,781.06	1,454.59
	Gemasia B.V.B.A.	432.70	Nil	1,726.86	55.96
Purchase of Polished Diamonds	A. M. Exports	3,153.12	222.53	3,153.12	222.53
Dividend Received	Asian Star DMCC	247.93	Nil	248.26	Nil
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	Nil	178.75	Nil	178.75
	Asian Star Trading (Hong Kong) Ltd.	Nil	103.58	Nil	103.58
	Asian Star DMCC	Nil	62.23	Nil	62.23
Corporate Guarantee given	Asian Star Trading (Hong Kong) Ltd.	Nil	18,092.61	Nil	16,601.11
	Asian Star DMCC	Nil	7,538.59	(7,028.35)	6,917.13
*The difference in value as on 31st March is due to change in exchange rate					
Corporate Guarantee Commission Received	Asian Star Trading (Hong Kong) Ltd.	90.46	90.46	82.51	Nil
	Asian Star DMCC	37.69	37.69	59.26	Nil
Directors' Remuneration	Dinesh T. Shah	125.00	Nil	125.00	Nil
	Arvind T. Shah	125.00	Nil	125.00	Nil
	Vipul P. Shah	175.00	Nil	175.00	Nil
	Priyanshu A. Shah	100.00	Nil	100.00	Nil
	Rahil V. Shah	75.00	Nil	75.00	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil	0.96	Nil
	Arvind T. Shah	0.96	Nil	0.96	Nil
	Dharmesh D. Shah	0.72	Nil	0.72	Nil
	Vipul P. Shah	0.96	Nil	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30.00	Nil	30.00
	Arvind T. Shah	Nil	30.00	Nil	30.00
	Dharmesh D. Shah	Nil	20.00	Nil	20.00
	Vipul P. Shah	Nil	30.00	Nil	30.00
Unsecured Loans Taken/(Repaid) -(Net)	Dinesh T. Shah	(30.99)	6,297.01	3,362.00	6,328.00
	Arvind T. Shah	278.00	1,015.17	574.37	737.17
	Dharmesh D. Shah	(10.00)	912.30	(20.70)	922.30
	Vipul P. Shah	72.99	5,179.56	347.07	5,106.57
	Priyanshu A. Shah	59.34	780.23	323.89	720.89
Interest Paid on Director's Loan	Dinesh T. Shah	110.00	198.00	110.00	99.00
	Vipul P. Shah	112.50	202.50	112.50	101.25

(Rs. in lacs)

Particulars	Name of the Party	2019-2020		2018-2019	
		Volume	Amount Outstanding as on 31.03.2020	Volume	Amount Outstanding as on 31.03.2019
Contract for Processing of Diamonds	Shah Manufacturers	4,555.89	(409.78)	16,721.19	837.79
Sale of Jewellery / Sale of Services / Rubber Moulds / Colour Stones	Rahil V Shah	Nil	Nil	8.58	Nil
	Sujata V Shah	119.90	Nil	7.36	Nil
	Himanshu A. Shah	Nil	Nil	69.21	Nil
	Pooja P. Shah	2.32	Nil	Nil	Nil
	Priyanshu A. Shah	1.99	Nil	Nil	Nil
	Vipul P. Shah	0.83	Nil	Nil	Nil
	Asian Star Co. Ltd. - (U.S.A.)	19.39	7.60	18.32	2.67
	Jewel Art	13.72	10.98	Nil	Nil
Purchase of Gold and Silver	Asian Star Co. Ltd. - (U.S.A.)	10.26	10.26	11.83	Nil
Sale of Machinery	Jewel Art	0.14	Nil	3.40	Nil

Note: Sale includes GST.

36. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Company has invested in Joint venture, Ratnanjali Infra LLP. The Company's interest in the said LLP is of 45 % share in Profit / Loss of the LLP. The Company has only right over the net assets of the Entity. The net asset is calculated using Equity method of accounting. Joint venture entity of the company is individually not material.

Analysis of the Company's Investment in Joint Venture:

(Rs. in lacs)

PARTICULARS	AMOUNT
Investments as on 01-04-2019	2,447.19
Addition during the year	0.03
Interest on Capital received	261.43
Share of Profit / (loss) (to the extent of Company's share in the joint venture)	17.91
Balance as on 31-03-2020	2,726.56

The joint ventures have no significant contingent liabilities to which the Company is exposed, and the Company has no significant contingent liabilities in relation to its interest in the joint ventures. The risks associated with the Company's interest in joint ventures are the same as those identified for the Company.

37. Corporate Social Responsibility (CSR)

- a) Gross amount required to be spent during the year : Rs. 130.66 lacs
b) Amount spent during the year :

(Rs. in lacs)

SR. NO.	PARTICULARS	IN CASH	YET TO BE PAID IN CASH	TOTAL
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than above	121.31	-	121.31

38. a) The Company has given guarantee of Rs. 256.31 crores (For F.Y. 2018-19 it was Rs. 235.18 crores) to Banks for facilities availed by its subsidiary companies.
- b) The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2018-19 it was Rs. 3.32 crores) in respect of Customs duty raised by Commissioner of Customs. In respect of the demand raised by Commissioner of Customs, the Company is of the opinion that the demand is not tenable and has made appropriate submission to the department. The Company has received stay order from Gujarat High Court against the demand of Custom Duty.
- c) The Company has disputed Income Tax Liability of Rs. 8.96 crores for A.Y. 2012 - 13 and Rs. 0.43 crores for A.Y. 2017 - 18. The Company is of opinion that these demands are not tenable and has filed appeal against them with Commissioner of Income Tax (Appeals)

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

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

		(Rs. in lacs)	
SR. NO.	PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
1	Principal amount due and remaining unpaid	361.73	98.69
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-

40. PAYMENT TO AUDITORS

		(Rs. in lacs)	
PARTICULARS		2019-2020	2018-2019
Statutory Audit		9.00	9.00
Others		Nil	Nil
TOTAL		9.00	9.00

41. EARNING PER SHARE

PARTICULARS	2019-2020	2018-2019
Profit After Tax (Rs. In Lacs)	2,768.75	4,056.63
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.)	17.30	25.34

(Rs. in lacs)			
SR. NO.	PARTICULARS	2019-2020	2018-2019
42.	Value of imported and indigenous consumption - Raw Material		
	• Imported Raw material	71,984.30	1,05,191.59
		46.48%	59.08%
	• Indigenous Raw material	82,879.15	72,854.29
		53.52%	40.92%
	TOTAL	1,54,863.45	1,78,045.88
43.	Interest received during the year that is net off against the Finance Cost charged to Profit & Loss Statement	1,159.76	1,073.36
44.	Value of Import on CIF Basis Raw Materials	89,726.48	1,08,125.32
45.	Expenditure in Foreign Currency		
	Foreign Travelling	5.40	18.01
	Repairs & Maintenance	2.19	-
	Membership & Subscription	12.51	17.47
	Consumables	35.31	23.66
	Sales Promotion Expenses	12.24	-
	Legal & Professional fees	3.89	3.83
	Entertainment Expenses	-	0.73
	Diamond Grading Charges	4.96	11.62
	Diamond Inscription Charges	215.55	32.10
	Trade Fair / Exhibition Expenses	32.12	21.97
	Export Packing Charges	5.62	8.73
46.	Earning in Foreign exchanges FOB value of Exports	1,34,970.80	1,55,819.75
47.	Net Gain/(Loss) on Exchange Fluctuation as included in total Revenue from operations & purchases reflected in the Profit & Loss Statement:		
	- Revenue from operations	(2,247.15)	1,780.19
	- Purchases	15,385.28	4,326.38
48.	Breakup of remuneration paid to Managing / Whole time Directors		
	a. Salary	600.00	600.00
	b. Contribution to Provident & Other Fund	0.22	0.22
	The Company has been advised that the computation of net profit pursuant to section 198 of the Companies Act, 2013 need not be enumerated since no commission has been paid to directors.		

49. FINANCIAL INSTRUMENTS DISCLOSURE

FINANCIAL ASSETS

PARTICULARS	(Rs. in lacs)	
	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
NON-CURRENT		
Investments - At cost (refer note 2)		
a. Unquoted, fully paid up In Equity Shares of wholly Owned Subsidiary Companies		
Asian Star Co. Ltd.	178.75	178.75
Asian Star DMCC	62.23	62.23
Asian Star Trading (Hongkong) Ltd.	103.58	103.58
Aggregate fair value	344.56	344.56
Aggregate book value	248.17	248.17
Gain / (Loss) on fair value recognised in Retained earnings	96.40	96.40
b. Unquoted, fully paid up In Equity Shares of Other Companies Shares At Fair Value through Profit and loss		
Indian Commodity Exchange Ltd.	2,010.00	2,010.00
Utkarsh Coreinvest Ltd.	117.00	117.00
Other Investments		
Ratnanjali Infra LLP (Partnership Firm)	2,726.56	2,447.19
Aggregate fair value	4,853.56	4,574.19
Aggregate book value	4,853.56	4,239.19
Gain / (Loss) on fair value recognised in P&L	-	335.00
Gain / (Loss) on fair value recognised in Retained earnings	-	-
Other Financial Assets	49.45	75.71
CURRENT		
i) Investments (refer note 7)		
At Fair Value through Profit and loss		
a. Unquoted, fully paid up In bonds At Fair Value through Profit and loss		
Sovereign Gold Bond Scheme	23.31	23.31
Aggregate air value	23.31	23.31
Aggregate book value	23.31	23.31
Gain / (Loss) on fair value recognised in P&L	-	-
b. Quoted, fully paid up In Equity & Mutual fund At Fair Value through Profit and loss		
Winsome Diamonds & Jewellery Ltd.	-	0.01
Titan Company Limited	40.94	277.38
Reliance Communications Ltd	0.69	4.14
Aarti Industries Ltd	156.55	154.65
Aegis Logistics Ltd	66.27	100.61
Amber Enterprises India Ltd	96.77	-
APL Apollo Tubes Ltd	76.52	63.92
Exide Industries Ltd	-	57.80
HDFC Bank Ltd	131.58	187.10
Indian Energy Exchange Ltd	-	52.00
La Opala RG Ltd	-	49.28
KEI Industries Ltd	59.94	67.14
Maruti Suzuki Ltd	-	110.62
Navin Fluorine Intl Ltd	122.54	72.54
Odisha Cement Ltd	45.85	53.57
Quess Corp Ltd	0.94	47.53
Shilpa Medicate Ltd	28.46	37.22
Voltas Ltd	-	50.52
Axis Bank Ltd	26.76	48.12
Bajaj Auto Ltd	28.43	46.44
Bajaj Finance Ltd	114.05	69.60

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Bandhan Bank	0.85	27.30
Divis Laboratories Ltd	37.23	-
Info Edge (India) Ltd	81.45	73.71
Infosys Ltd	-	44.54
Sterling & Wilson Solar Ltd	0.10	-
Tata Consultancy Service Ltd	44.48	-
Tata Elexi Ltd	16.39	44.04
United Spirits Ltd	48.51	55.30
Varun Beverages Ltd	77.34	84.36
Aavas Financiers Ltd	2.54	-
Bajaj Finserv Ltd	4.91	8.86
Berger Paints India Ltd	8.08	6.60
Britannia Industries Ltd	6.62	5.98
Dabur India Ltd	6.99	3.66
Gujarat Gas Ltd	1.75	-
Hindustan Unilever Ltd	4.76	-
ICICI Lombard General Ins. Co. Ltd	4.65	-
Eicher Motors Ltd	-	5.96
Gruh Finance Ltd	-	3.96
HDFC Life Ins Co Ltd	70.01	2.72
Indusind Bank	-	4.58
Kaveri Seed Co Ltd	1.65	2.22
P I Industries Ltd	2.81	2.81
Page Industries	5.08	6.97
Petronet LNG Ltd	-	3.55
Pidilite Industries Ltd	3.13	-
Reliance Industries Ltd	-	4.06
SBI Life Insurance Co. Ltd	2.44	-
Shree Cements Ltd	2.11	-
Supreme Industries Ltd	-	3.70
Aarti Surfactants Ltd	0.24	-
Astral Poly Technik Ltd	2.52	2.54
AIA Engineering Ltd	-	2.51
Balkrishna Industries Ltd	-	2.73
Cholamandalam Inv & Fin Co Ltd	1.55	2.92
Greenlam Industries Ltd	-	2.51
Havells India Ltd	4.73	1.33
Kajaria Ceramics Ltd	4.18	6.55
MAS Fin Serv Ltd	2.47	2.55
Nestle India Ltd	3.42	1.54
PI Industries Ltd	2.81	2.81
Pidilite Ind Ltd	3.49	3.19
PNB Housing Fin Ltd	-	2.17
Relaxo Footwear Ltd	3.47	2.59
Sanofi India Ltd	1.87	-
Siyaram Silk Mills Ltd	-	2.42
Solar Industries Ltd	2.07	2.45
Tasty Bite Eatables Ltd	-	1.34
Alkem Lab Ltd	4.67	3.52
Au Small Fin Bank	5.30	4.97
Bayer Cropscience Ltd	1.24	1.59
Birla Corporation Ltd	3.45	4.36

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Blue Star Ltd	2.21	3.48
Canfin Homes Ltd	69.36	3.51
Development Credit Bank Ltd	4.10	9.22
Dhanuka Agritech Ltd	1.09	1.30
Dishman Carbogen Amcis Ltd	-	2.64
Dr Lal Path Ltd	4.05	3.32
Gabriel India Ltd	1.44	3.91
Glaxo Smithkline Consumer Healthcare	1.60	1.16
ICICI Securities Ltd	0.72	-
IIFL Finance Ltd	0.26	-
IIFL Securities Ltd	0.11	-
IIFL Holdings Ltd	-	1.51
ITD Cement India Ltd	0.50	2.23
Laxmi Vilas Bank Ltd	-	2.14
Mahanagar Gas Ltd	3.64	4.69
Suprajit Engg Ltd	0.72	1.57
TTK Prestige Ltd	3.89	5.85
V-Mart Retail Ltd	0.51	0.97
VIP Industries Ltd	29.29	1.15
Reliance Liquid Fund -Div Reinvestment	0.29	237.15
Reliance Liquid Fund Direct-Growth	-	41.23
HDFC Small Cap Fund Direct Growth Plan	31.40	74.10
Kotak Select Focus Fund Direct Plan Growth	62.58	81.42
Motilal Oswal Most Focused Multicap 35 Fund	74.47	98.41
Aggregate fair value of quoted investments	1,767.11	2,580.49
Aggregate book value of quoted investments	2,251.73	2,643.77
Gain / (Loss) on fair value recognised in P&L	(484.62)	(63.28)
ii) Trade Receivables - At amortised cost	56,422.50	63,380.71
iii) Cash and Cash Equivalents (refer note 9)		
Balances with Banks in Current accounts	3,668.66	3,790.91
Fixed Deposits with Banks	6,994.36	7,116.00
Cash on hand	15.89	24.35
iv) Other Bank Balances (refer note 10)	9,897.28	9,242.35
v) Loans & Advances (refer note 11)		
Loans (Considered good unless otherwise stated)		
At Amortised Cost		
Unsecured, considered good - At amortised cost	2,947.27	5,425.58
vi) Other Financial Assets (refer note 12)		
Derivatives - Foreign Exchange Contracts -At FVTPL	265.04	-
Total Financial Assets	87,249.00	96,578.16

FINANCIAL LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
NON-CURRENT		
Borrowings (refer note 15)		
At Amortised cost		
Loans from related parties-directors	4,877.36	4,947.50
CURRENT		
i) Borrowings (refer note 20)		
At Amortised cost		
Secured working Capital Loan from Banks	48,341.04	54,999.34
Loans from related parties-directors	8,960.77	8,867.43
ii) Trade Payables (refer note 21)		
At Amortised Cost		
Creditors for Goods	17,081.25	15,779.34
Creditors for Processing	413.09	2,700.06
iii) Other Financial Liabilities- At FVTPL (refer note 22)		
Derivatives Foreign Exchange contracts	302.48	34.30
Total Financial Liabilities	79,976.00	87,327.98

FINANCIAL INSTRUMENTS BY CATEGORY

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020			AS AT MARCH 31, 2019		
	FVTPL	FVOCI	AMORTISED COST	FVTPL	FVOCI	AMORTISED COST
FINANCIAL ASSETS						
Non-Current						
Investments	5,198.12	-	-	4,918.75	-	-
Other Financial Assets	-	-	49.45	-	-	75.70
Current						
Investments	1,790.42	-	-	2,603.79	-	-
Trade Receivables	-	-	56,422.50	-	-	63,380.71
Cash and Cash Equivalents	10,678.91	-	-	10,931.26	-	-
Other Bank balances	9,897.28	-	-	9,242.35	-	-
Loans & Advances	-	-	2,947.27	-	-	5,425.58
Derivatives - Foreign Exchange Contracts	265.04	-	-	-	-	-
FINANCIAL LIABILITIES						
Non-Current						
Borrowings	-	-	4,877.36	-	-	4,947.50
Current						
Borrowings	-	-	57,301.81	-	-	63,866.77
Trade Payables	-	-	17,494.35	-	-	18,479.40
Derivatives - Foreign Exchange Contracts	302.48	-	-	34.30	-	-

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

FAIR VALUE RELATED DISCLOSURES:

Fair Value measurement:

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

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

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

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

Valuation Techniques and Inputs used

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

- i. Long-term receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses, if any, of these receivables.
- ii. The fair values of the quoted equity shares are based on price quotations at the reporting date (Level 1 inputs).
- iii. The Company enters into derivative financial instruments in the form of Foreign exchange Forwards & Options contracts. The counterparties of these contracts are Banks. These derivatives constitute hedge from an economic perspective and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly in the revenue from Sale of products or purchases in the Statement of Profit and Loss. Foreign exchange forward and Option contracts are valued using valuation techniques, which employ the use of market observable inputs. The valuation technique applied is the use of "quoted prices in active markets".
- iv. The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

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

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

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

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

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

Comparison by class of the carrying amounts and fair value of Financial Instruments

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

FAIR VALUE HIERARCHY

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

(Rs. in lacs)

PARTICULARS			Fair Value measurement using		
	Date of Valuation	Total	Quoted Prices in the active market (Level1)	Significant observable inputs (Level2)	Significant observable inputs (Level3)
Assets measured at fair value (Note No. 2,7,9,10,12)					
Investments					
Non-Current	31.03.20	5,198.12	-	5,198.13	-
Current	31.03.20	1,790.42	1,790.42	-	-
Cash and Cash Equivalents	31.03.20	10,678.91	-	-	-
Derivatives - Foreign Exchange Contracts	31.03.20	265.04	265.04	-	-
Other Bank Balances	31.03.20	9,897.28	-	-	-
Assets for which fair values are disclosed (Note No. 3,8,11)					
Loans & Advances	31.03.20	2,947.27	-	2,947.27	-
Other Financial Assets	31.03.20	49.45	-	49.45	-
Trade Receivables	31.03.20	56,422.50	-	56,422.50	-
Liabilities measured at fair value (Note No. 22)					
Derivatives - Foreign Exchange Contracts	31.03.20	302.48	302.48	-	-
Liabilities for which fair values are disclosed (Note No. 15,20,21)					
Borrowings					
Non-Current	31.03.20	4,877.36	-	4,877.36	-
Current	31.03.20	57,301.81	-	57,301.81	-
Trade Payables	31.03.20	17,494.35	-	17,494.35	-

(Rs. in lacs)

PARTICULARS			Fair Value measurement using		
	Date of Valuation	Total	Quoted Prices in the active market (Level1)	Significant observable inputs (Level2)	Significant observable inputs (Level3)
Assets measured at fair value (Note No. 2,7,9,10,12)					
Investments					
Non-Current	31.03.19	4,918.75	-	4,918.75	-
Current	31.03.19	2,603.82	2,603.82	-	-
Cash and Cash Equivalents	31.03.19	10,931.26		-	-
Other Bank Balances	31.03.19	9,242.35	-	-	-
Assets for which fair values are disclosed (Note No. 3,8,11)					
Loans & Advances	31.03.19	5,425.58	-	5,425.58	-
Other Financial Assets	31.03.19	75.70	-	75.70	-
Trade Receivables	31.03.19	63,380.71	-	63,380.71	-
Liabilities measured at fair value (Note No. 22)					
Derivatives - Foreign Exchange Contracts	31.03.19	34.30	34.30	-	-
Liabilities for which fair values are disclosed (Note No. 15,20,21)					
Borrowings					
Non-Current	31.03.19	4,947.50	-	4,947.50	-
Current	31.03.19	63,866.77	-	63,866.77	-
Trade Payables	31.03.19	18,479.40	-	18,479.40	-

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

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

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

Other Fair Value related Disclosures

Recurring / non-recurring classification of fair value:

All fair value measurements for the period ended 31/3/2020 are recurring in nature and there are no Non-recurring fair value measurements of assets or liabilities in these periods.

Level 3 inputs related disclosure

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

Transfers between Level 1 and Level 2

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

Change in Valuation techniques, if any

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

Financial risk factors

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

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

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

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

Credit risk

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

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

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

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as at 31 March, 2020. Of the total trade receivables, Rs. 46,633 lacs as at March 31, 2020 and Rs. 56,164 lacs as at March 31, 2019 consisted of customer balances that were neither past due nor impaired. The Company's Credit risk management policies include categorizing the loans and trade receivables based on estimates of Probability of Default and calculation of Expected Credit Losses (ECL).

Loans and advances include loans given to staff Rs. 61.69 lacs as at March 31, 2020 and Rs. 37.56 lacs as at March 31, 2019 which the company perceives no impairment loss to be provided for.

Financial Assets That Are Past Due But Not Impaired

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

PERIOD IN DAYS	(Rs. in lacs)	
	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
1-90	5,898.77	3,749.33
91-180	2,388.65	2,018.11
More than 180	1,501.98	1,448.42
Total	9,789.40	7,215.86

Liquidity risk

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities:

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

Contractual undiscounted cash flows	(Rs. in lacs)			
	< Month	1 to 4 months	4 to 6 months	> 6 months
<u>Maturity analysis for Non-Derivative Financial liabilities:</u>				
Borrowings *	6,447.07	36,141.84	14,712.90	4,877.36
Interest on Borrowings	23.73	-	-	-
Trade payables	7,520.14	9,587.90	386.31	-
<u>Maturity analysis for Derivative Financial liabilities:</u>				
Net settled derivative contracts - Financial Assets	241.40	-	23.65	-
Net settled derivative contracts - Financial Liabilities	222.42	-	80.06	-

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

Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2019:

Contractual undiscounted cash flows	(Rs. in lacs)			
	< Month	1 to 4 months	4 to 6 months	> 6 months
<u>Maturity analysis for Non-Derivative Financial liabilities:</u>				
Borrowings	16,436.54	40,096.43	7,333.80	4,947.50
Interest on Borrowings	23.04	-	-	-
Trade payables	5,104.09	11,405.77	1,969.54	-
<u>Maturity analysis for Derivative Financial liabilities:</u>				
Net settled derivative contracts - Financial Assets	-	-	-	-
Net settled derivative contracts - Financial Liabilities	10.51	-	-	23.79

Market Risk

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

Interest Rate Risk

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

Foreign Exchange Risk

The Company is exposed to foreign exchange risk principally via:

- Transactional exposure that arises from the sales / receivables / contracts entered based on orders denominated in a currency other than the functional currency of the Company
- Transactional exposure that arises from the cost of goods sold / payables / contracts entered based on orders denominated in a currency other than the functional currency of the Company.
- Foreign currency exposure that arises from foreign currency working Capital loans (including interest payable) denominated in a currency other than the functional currency of the Company.

Commodity Risk

The Company is exposed to the commodity rate risk due to uncertainties in availability of Gold and silver for its jewellery operations. Forward contracts for Sale of Gold entered into by the Company and outstanding as on 31st March, 2020 covers 3.5 Kgs and for Sale of silver covers 510 Kgs. (For F.Y. 2018-19 it was for Sale of Gold 162 Kgs and for Purchase of Silver - 60 Kgs). Sensivity analysis for commodity risk is not done as it is not material.

Sensitivity analysis

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

INTEREST RATE RISK

Exposure of borrowings related to interest rate changes:

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Variable rate borrowings		
Rs. loan from bank (Rs. in Lacs)	487	244
Foreign Currency Loan (\$ in million)	63.52	78.82

INTEREST RATE RISK SENSITIVITY

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

(Rs. in lacs)

IMPACT ON PROFIT & LOSS	31.03.2020	31.03.2019
<u>For \$ Borrowings</u>		
Increase in Interest rate - 50 basis points p.a.	(239)	(272)
Decrease in Interest rate - 50 basis points p.a.	239	272
<u>For Rs. Borrowings</u>		
Increase in Interest rate - 75 basis points p.a.	(3.65)	(1.83)
Decrease in Interest rate - 75 basis points p.a.	3.65	1.83

FOREIGN CURRENCY RISK

Following table shows foreign currency exposure in US \$ at the end of the reporting period:

(\$ in million)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Financial Assets		
Trade Receivables	59.27	73.58
Cash and Cash Equivalents	0.11	1.23
Derivatives Forward contracts (Net)	83.20	-
Financial Liabilities		
Borrowings	63.52	78.82
Trade payables	18.99	25.76
Derivatives Forward contracts (Net)	-	21.68

FOREIGN CURRENCY RISK SENSIVITY

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

(Rs. in lacs)

PARTICULARS	31.03.2020	31.03.2019
USD-INR Increase by 1%	453	(356)
USD-INR decrease by 1%	(453)	356

50. CAPITAL MANAGEMENT

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

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

The capital gearing ratio as on 31st March, 2020 and 31st March, 2019 was 45% and 48%, respectively.

51. COLLATERALS

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

- Fixed deposits - Value Rs. 15,440 lacs
- Hypothecation of Stock in trade and Trade receivables - Value Rs. 1,07,328 lacs
- Mortgage of premises at Mumbai & Surat - Value Rs. 17,712 lacs

Defaults

For loans payable recognised at the end of the reporting period, there have been no defaults of non-payment of loan by the company.

52. INVESTMENT PROPERTY

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

Though the Company measures investment property using cost based measurement, the fair value of investment property as on 31.3.17 was Rs. 5,084 lacs. Fair values was determined based on evaluation performed by applying a valuation model by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. However, no significant change in the market value is observed, and management has decided to keep the fair valuation same as of 31.3.17.

53. IMPACT OF COVID-19 (GLOBAL PANDEMIC)

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has considered the possible effects that may result from the global pandemic relating to COVID-19 on the standalone financial statements of the Company. Based on the available internal and external information and its analysis, past experiences and the current estimates the Company impact of COVID-19 is summarized as under:

Sales of the Company's product have been impacted with imposition of lockdown and other restrictions across the world. This has also had its impact on the profitability. In the current uncertain situation it is not possible to gauge the impact with precision. However, with gradual relaxation and unlocking measures being implemented, the business activity is slowly and steadily gathering momentum. Management has done preliminary assessment on the impact of going concern of the entity. The Company resumed production at all its facilities after relaxation in the lockdown restrictions with permitted strength of staff as per the guidelines issued by various State Governments from time to time. Sales, both Exports and domestic, have since resumed. COVID-19 will not have any impact on the going concern of the entity as the risk if any, is well diversified due to its diverse product portfolio and presence across all major global markets.

The financial assets carried at fair value mainly consist of investments in equities and mutual funds, which are already subjected to mark to market provision. The value of these investments has improved significantly since the Balance Sheet date with the improvement in the equity markets. Based on the past experiences and evaluation of the current realizations, the Company does not foresee any impact on other assets including cash and cash equivalents, inventory and receivables.

The Company has considered such an impact to the extent known currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and can best be determined only after reasonable unlock down occurs.

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

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants

FRNo: 105765W

MAHENDRA DOSHI

Proprietor

Membership No. 41316

Place : Mumbai

Dated: July 30, 2020

UDIN: 20041316AAAABF6897

SUJATA NADGOUDA

Company Secretary

Place : Mumbai

Dated: July 30, 2020

For and on behalf of the Board

DINESH T. SHAH

Chairman & CFO

DIN - 00004685

Place : Mumbai

Dated: July 30, 2020

VIPUL P. SHAH

CEO & Managing Director

DIN - 00004746

Place : Mumbai

Dated: July 30, 2020

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF ASIAN STAR COMPANY LIMITED

Report on the Audit of 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 (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, of consolidated profit/loss, the consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Gems & Jewellery is highly working capital-intensive industry and Inventory is a major component of it. Inventory mainly consists of Rough Diamonds, Cut & Polished diamonds, Jewellery, Gold and other precious metal and precious and semi-precious stones.</p> <p>Cut & Polished Diamonds not being a standardized product requires specialized skill and knowledge for valuation.</p> <p>Because of the above reasons we have identified inventory as Key audit matter.</p>	<p>In view of the significance of the matter, we have applied the following audit procedures in this area, among other procedures to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> - We assessed the appropriateness of the inventories accounting policies and its compliances with the applicable accounting standards. - We evaluated the key controls with respect to the movement of inventory and its recording. There are sufficient and effective controls in the IT systems recording movement from manufacturing to sales. - Inventory of cut & polished diamonds is valued using Specific Identification method and in smaller sizes where it is not possible, the valuation is done using Retail Method. - We evaluated reasonableness of the management's assessment of net realizable value which is substantiated by the valuation done by a government approved valuer. In case of Parent company, because of lockdown due to COVID-19, physical verification of the inventory could not be done as on Balance sheet date, but the same was done by the Independent valuer on resumption of operation on 11.05.2020 and it is reconciled with the balance sheet date.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of 71,469.49 lacs as at 31st March, 2020, total revenues of Rs. 1,34,416.25 lacs and net cash flows amounting to Rs. 1,500.94 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. 17.91 lacs for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of 1 jointly controlled associate and 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group, its associates and jointly Controlled entries. Refer Note 37 of the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net profit/loss in respect of its associates.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, associate companies and incorporated in India.

For Mahendra Doshi & Associates
Chartered Accountants
FRNo. 105765W

Mahendra Doshi
Proprietor

Membership No.41316

UDIN: 20041316AAAABG4248

Place : Mumbai
Date : July 30, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Asian Star Company Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ASIAN STAR COMPANY LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies incorporated India, whose financial statements/ information are audited and our opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Group is not affected as this financial statements / information is not material to the Group.

For Mahendra Doshi & Associates
Chartered Accountants
FRNo. 105765W

Mahendra Doshi
Proprietor
Membership No.41316
UDIN: 20041316AAAABG4248

Place : Mumbai
Date : July 30, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in lacs)

PARTICULARS	NOTE	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
ASSETS					
Non-Current Assets					
a Property, Plant & Equipment	1	21,741.65		22,888.13	
b Investment Property		4,993.10		4,993.10	
c Financial Assets					
i) Non Current Investments	2	4,853.56		4,574.19	
ii) Other Financial Assets	3	66.17		90.73	
d Non-Current Tax Assets	4	656.48		273.78	
e Other Non-Current Assets	5	602.37		634.86	
			32,913.33		33,454.79
Current Assets					
a Inventories	6	55,386.00		56,614.71	
b Financial Assets					
i) Current Investments	7	1,790.42		2,603.79	
ii) Trade Receivables	8	66,711.40		76,539.16	
iii) Cash and Cash Equivalents	9	24,212.96		21,981.22	
iv) Other Bank Balances	10	9,897.28		9,242.35	
v) Loans & Advances	11	12,219.46		5,447.09	
vi) Other Financial Assets	12	265.04		8.86	
			1,70,482.56		1,72,437.18
TOTAL			2,03,395.89		2,05,891.97
EQUITY AND LIABILITIES					
EQUITY					
a Share Capital	13	1,600.68		1,600.68	
b Other Equity	14	1,14,704.49		1,05,750.78	
			1,16,305.17		1,07,351.46
LIABILITIES					
Non-Current Liabilities					
a Financial Liabilities					
Long-Term Borrowings	15	5,084.01		5,164.58	
b Deferred Tax Liabilities (Net)	16	4,950.11		4,868.74	
c Long-Term Provisions	17	731.45		891.57	
d Other Non-Current Liabilities	18	758.17		561.08	
			11,523.74		11,485.97
Current Liabilities					
a Financial Liabilities :					
i) Short-Term Borrowings	19	61,250.21		63,866.77	
ii) Trade Payables	20	13,022.11		20,127.67	
iii) Other Financial Liabilities	21	302.48		34.30	
b Other Current Liabilities	22	992.24		3,025.80	
			75,566.98		87,054.54
TOTAL			2,03,395.89		2,05,891.97
Significant Accounting Policies					
Notes on Financial Statements	1 to 48				

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants

FRNo: 105765W

MAHENDRA DOSHI

Proprietor

Membership No. 41316

Place : Mumbai

Dated : July 30, 2020

UDIN : 20041316AAAABG4248

SUJATA NADGOUDA

Company Secretary

Place : Mumbai

Dated: July 30, 2020

For and on behalf of the Board

DINESH T. SHAH

Chairman & CFO

DIN - 00004685

Place : Mumbai

Dated: July 30, 2020

VIPUL P. SHAH

CEO & Managing Director

DIN - 00004746

Place : Mumbai

Dated: July 30, 2020

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lacs)

PARTICULARS	NOTE	2019 - 2020		2018 - 2019	
REVENUE					
Revenue From Operations	23	3,05,293.62		3,64,219.36	
Other Income	24	(390.33)		455.31	
Total Revenue			3,04,903.29		3,64,674.67
EXPENSES					
Cost of Materials Consumed	25	1,20,710.40		1,78,045.88	
Purchases of Stock-In-Trade		1,26,493.55		1,33,497.98	
Changes in Inventories of Finished Goods, Work-In-Progress & Stock-in-Trade	26	5,120.42		(3,667.26)	
Employee Benefits Expense	27	6,572.69		6,746.62	
Finance Costs	28	1,965.97		2,638.63	
Depreciation and Amortization Expense		1,596.65		1,720.66	
Other Expenses	29	34,668.60		31,655.52	
Total Expenses			2,97,128.28		3,50,638.03
Profit Before Exceptional Items & Tax			7,775.01		14,036.64
Exceptional Items Income/(Loss)	30		(13.58)		(347.08)
Profit Before Tax			7,761.43		13,689.56
Tax expense					
Current Tax			1,363.20		1,956.91
Deferred Tax			81.37		149.62
Minority Interest			(23.55)		90.49
Profit After Tax			6,340.41		11,492.54
Other Comprehensive Income			(448.28)		(223.43)
Total Comprehensive Income			5,892.13		11,269.12
Earnings Per Equity Share:					
Basic and Diluted (In Rs.)			39.61		71.80
Significant Accounting Policies					
Notes on Financial Statements	1 to 48				

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants

FRNo: 105765W

MAHENDRA DOSHI

Proprietor

Membership No. 41316

Place : Mumbai

Dated : July 30, 2020

UDIN : 20041316AAAABG4248

SUJATA NADGOUDA

Company Secretary

Place : Mumbai

Dated: July 30, 2020

For and on behalf of the Board**DINESH T. SHAH**

Chairman & CFO

DIN - 00004685

Place : Mumbai

Dated: July 30, 2020

VIPUL P. SHAH

CEO & Managing Director

DIN - 00004746

Place : Mumbai

Dated: July 30, 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2020

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	7,761.43	13,689.56
Adjustment for		
- Depreciation	1,596.65	1,720.66
- Finance Costs	1,965.97	2,638.63
- Unrealised Foreign Exchange (Gain) / Loss	140.61	(818.77)
- Dividend Received	(19.72)	(16.53)
- (Profit)/Loss on sale of fixed assets	13.58	347.12
- (Profit)/Loss on sale of Investment	39.13	(1.42)
- Diminution in value of Investment written off / (written back)	484.62	(271.72)
- Changes in Other Comprehensive Income	2,833.89	1,252.04
Operating Profit Before Working Capital Changes	14,816.16	18,539.57
Adjustment for		
- Receivables	12,543.39	15,257.27
- Inventories	1,228.70	(674.44)
- Loans & Advances	(6,971.51)	856.29
- Current and Non Current Liabilities	(9,433.75)	(19,058.83)
Cash Generated from / (used in) Operations	12,182.99	14,919.86
- Taxation	(1,715.82)	(2,130.54)
Cash Flow before Extraordinary Items	10,467.17	12,789.32
Net Cash from / (used in) Operating Activities	10,467.17	12,789.32
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(477.42)	(945.61)
- Sale of Fixed Assets	13.66	137.51
- (Purchase) / Sale of Investments (Net)	10.26	(417.32)
- Dividend Received	19.72	16.53
Net Cash from / (used in) Investing Activities	(433.78)	(1,208.89)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Long Term Borrowings	(80.57)	2,904.01
- Short Term Borrowings	(4,873.08)	(17,276.71)
- Increase in Minority Interest due to Introduction of Capital	13.00	(3,590.00)
- Finance Costs	(1,965.97)	(2,638.63)
- Dividend Paid	(240.10)	(240.10)
Net Cash from / (used in) Financing Activities	(7,146.73)	(20,841.43)
Net increase / (decrease) in Cash & Cash Equivalents	2,886.66	(9,261.00)
Cash & Cash Equivalents as at 1st April (Opening)-*	31,223.57	40,484.57
Cash & Cash Equivalents as at 31st March (Closing)-*	34,110.24	31,223.57

* Includes fixed deposits of Rs. 16,325.10 lacs (F.Y. 2018-19 Rs. 16,340.31 lacs) pledged as collateral securities with banks for facilities obtained / kept as margin money against Bank Guarantee which includes fixed deposits of Rs. 9,897.28 lacs (F.Y. 2018-19 Rs. 9,242.35 lacs) maturing after 3 months.

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants
FRNo: 105765W

MAHENDRA DOSHI
Proprietor
Membership No. 41316

Place : Mumbai
Dated : July 30, 2020
UDIN : 20041316AAAABG4248

SUJATA NADGOUDA
Company Secretary

Place : Mumbai
Dated : July 30, 2020

For and on behalf of the Board

DINESH T. SHAH
Chairman & CFO
DIN - 00004685

Place : Mumbai
Dated : July 30, 2020

VIPUL P. SHAH
CEO & Managing Director
DIN - 00004746

Place : Mumbai
Dated : July 30, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**A. EQUITY SHARE CAPITAL**

(Rs. in lacs)

Particulars	Balance at the beginning of the period April 1, 2018	Changes in Equity share capital during the year 2018-19	Balance at the end of reporting period March 31, 2019	Changes in Equity share capital during the year 2019-20	Balance at the end of the reporting period March 31, 2020
Equity Share Capital	1,600.68	-	1,600.28	-	1,600.28

B. OTHER EQUITY

(Rs. in lacs)

Particulars	Capital Reserve	Capital Redemption Reserve	General Reserve	Surplus Account	Minority Interest	Other Comprehensive Income	Total
AS ON MARCH 31, 2019							
Balance at the beginning of the reporting period i.e. April 1, 2018	294.50	1,986.44	14,013.37	77,156.39	3,331.61	(1.79)	96,780.52
Total Income for the year	-	-	-	11,492.54	-	(223.42)	11,269.12
Dividend	-	-	-	(240.10)	-	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-	-
Provision for tax of Ealier Years written off	-	-	-	(7.24)	-	-	(7.24)
Other Comprehensive Income adjustments	-	-	-	-	-	1,475.46	1,475.46
Minority Interest Adjustments	-	-	-	-	(3,526.98)	-	(3,526.98)
Balance at the end of the reporting period i.e. March 31, 2019	294.50	1,986.44	14,213.37	88,201.65	(195.37)	1,250.25	1,05,750.78
AS ON MARCH 31, 2020							
Balance at the beginning of the reporting period i.e. April 1, 2019	294.50	1,986.44	14,213.37	88,201.65	(195.37)	1,250.25	1,05,750.78
Total Income for the year	-	-	-	6,340.41	-	(448.28)	6,340.42
Dividend	-	-	-	(240.10)	-	-	(240.10)
Transfer to / from retained earnings	-	-	200.00	(200.00)	-	-	-
Other Comprehensive Income adjustments	-	-	-	-	-	3,282.17	2,833.89
Minority Interest Adjustments	-	-	-	-	19.51	-	19.51
Balance at the end of the reporting period i.e. March 31, 2020	294.50	1,986.44	14,413.37	94,101.90	(175.86)	4,084.14	1,14,704.49

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants

FRNo: 105765W

MAHENDRA DOSHI

Proprietor

Membership No. 41316

Place : Mumbai

Dated: July 30, 2020

UDIN : 20041316AAAABG4248

SUJATA NADGOUDA

Company Secretary

Place: Mumbai

Dated: July 30, 2020

For and on behalf of the Board**DINESH T. SHAH**

Chairman & CFO

DIN - 00004685

Place: Mumbai

Dated: July 30, 2020

VIPUL P. SHAH

CEO & Managing Director

DIN - 00004746

Place : Mumbai

Dated: July 30, 2020

A. CORPORATE INFORMATION

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

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

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

B. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

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

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

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

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

a. Revenue Recognition

Revenue recognition requires management judgement of deciding the most appropriate basis for presenting revenue or costs of revenue after reviewing both the legal form and substance of the agreement.

b. Useful life of Property, Plant and Equipment

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

c. Income Taxes

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

d. Fair Value

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

e. Inventory Valuation

Valuation of Inventory of Cut & Polished diamonds is a technical subject requires technical skill, knowledge and judgment. Its valuation is derived based on assessment by the Management and valuation carried out by the Government approved valuer based on physical verification of goods.

3. Summary of significant accounting policies

a. Use of Estimates

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

b. Presentation of True and Fair View

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

c. Going Concern

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

d. Accrual Basis

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

e. Materiality

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

f. Basis of Measurement

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

g. Offsetting

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

h. Functional and Presentation Currency

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

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

i. Foreign Currency Transactions

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

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

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

j. Tangible Fixed Assets (PPE & CWIP)

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

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

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

k. Depreciation on Tangible Fixed Assets

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

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

l. Investment Property

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

m. Borrowing Costs

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

n. Inventories

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

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

Consumables are valued at cost.

Valuation of Diamonds and Jewellery is a technical subject requiring specialized knowledge and skills. Valuation is derived based on assessment by the management and valuations carried on by Government Approved Valuer. In case of Parent Company, due to countrywide lockdown on account of COVID -19, physical verification of the stock could not be taken on the balance sheet date. The Independent valuer along with management has taken physical stock on 11.05.2020 when Company resumed its operations and accordingly stock was reconciled for the balance sheet date.

o. Revenue Recognition

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

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

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

p. Government Grants

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

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

q. Retirement and other Employee Benefits

Short Term Employee Benefits

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

Defined Contribution plans

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

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

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

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

Defined Benefit Plans

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

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

r. Taxes on Income

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

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to

(recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

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

s. Earnings Per Share

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

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

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

t. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

u. Cash and Cash Equivalents & Other Bank Balances

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

v. Related Party Disclosures

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

with related parties.

w. Preliminary Expenses

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

x. Dividend

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

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

Sr. No.	Name	Country of Incorporation	Percentage of ownership (Previous Year)
1)	Asian Star Co. Ltd.	USA	100 (100)
2)	Asian Star DMCC	UAE	100 (100)
3)	Asian Star Trading (Hongkong) Ltd.	Hongkong	100 (100)
4)	Shah Manufacturers (Partnership firm)	India	-

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

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

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

z. Segment Reporting

Identification of Segments

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

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

aa. Financial Instruments

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

Financial Assets - Trade Receivables

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

Impairment of Trade Receivables

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

Financial Assets - Investments

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

Investment in subsidiary and Joint Venture are accounted at cost using equity method of accounting.

Financial Assets - Loans and Advances to Staff

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

Impairment of Loans and Advances to Staff

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

Financial Liabilities - Interest-Bearing Borrowings

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

Financial Liabilities - Trade payables

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

Financial Liabilities - Derivative Financial Instruments

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

Offsetting Financial Instruments

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

4. Functional and Presentation Currency

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. PROPERTY, PLANT & EQUIPMENT

(Rs. in lacs)

Description of Assets	GROSS BLOCK (AT COST)			DEPRECIATION					NET BLOCK	
	As at April 1, 2019	Additions	*Deductions	As at March 31, 2020	As at April 1, 2019	For the Year	Deductions/ Exchange Rate Diff.	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land	6,076.34	-	-	6,076.34	16.02	-	-	16.02	6,060.32	6,060.32
Office Premises	2,865.23	-	-	2,865.23	680.77	207.50	68.66	819.61	2,045.62	2,184.46
Factory Premises	6,177.12	-	-	6,177.12	844.87	133.10	-	977.97	5,199.15	5,332.25
Plant & Machinery	15,151.80	212.03	816.72	14,577.11	7,257.05	875.83	794.21	7,338.67	7,238.44	7,924.75
Vehicles	979.95	65.40	89.63	955.72	538.97	99.85	84.96	553.86	401.86	440.98
Furniture & Fixtures	1,468.60	30.55	0.94	1,498.21	1,176.24	94.82	3.64	1,267.42	230.79	292.36
Office Equipments	2,090.71	73.34	0.41	2,163.64	1,490.09	139.72	0.41	1,629.40	534.24	600.62
Computer	823.33	24.74	7.54	840.53	770.94	45.83	7.47	809.30	31.23	52.39
Intangible Assets										
Computer Software	18.13	-	-	18.13	18.13	-	-	18.13	-	-
CURRENT YEAR	35,681.21	406.06	915.24	35,172.03	12,793.08	1,596.65	959.35	13,430.38	21,741.65	22,888.13
PREVIOUS YEAR	35,644.11	901.03	863.93	35,681.21	11,496.34	1,720.66	423.92	12,793.08	22,888.13	24,147.77

*Note : Deduction includes Plant & Machinery amounting to Rs. 789.84 lacs discarded on completion of its useful life. Correspondingly Rs. 789.84 lacs of accumulated depreciation has been included in depreciation column.

2. NON CURRENT INVESTMENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Unquoted, Equity Instruments		
In Companies at Fair Market Value (all fully paid)		
Utkarsh Coreinvest Ltd. 90,000 (90,000) Shares of Rs. 10 each	117.00	117.00
Indian Commodity Exchange Ltd. (1,67,50,000 (1,67,50,000) Shares of Rs. 10 each)	2,010.00	2,010.00
Other Investments		
Ratnanjali Infra LLP (Partnership Firm)	2,726.56	2,447.19
Total	4,853.56	4,574.19

3. OTHER FINANCIAL ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Deposits with Others	10.84	37.19
Security Deposits	55.33	53.54
Total	66.17	90.73

4. NON CURRENT TAX ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Taxation	656.48	273.78
Total	656.48	273.78

5. OTHER NON CURRENT ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Capital Advances	364.91	375.91
Security Deposit	237.26	258.70
Preliminary Expenditure (to the extent not written off)	0.20	0.25
Total	602.37	634.86

6. INVENTORIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Raw Materials	15,745.22	11,928.31
Work In Progress	4,912.20	6,410.96
Finished Goods & Stock-in-Trade	34,601.50	38,223.18
Consumables	127.08	52.26
(Inventories are valued as per point no. 3(n) to significant accounting policies)		
Total	55,386.00	56,614.71

7. CURRENT INVESTMENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
Investments carried at Fair Value through Profit & Loss (FVTPL)				
Investments in Bond				
Sovereign Gold Bond Scheme (800 (800) Units)	23.31		23.31	
A		23.31		23.31
Investments in Equity				
Quoted, fully paid up				
Aarti Industries Ltd 20,060 (9,831) Shares of Rs. 5 each	156.55		154.65	
Aegis Logistics Ltd 47,175 (49,570) Shares of Re. 1 each	66.27		100.61	
Amber Enterprises India Ltd 1,530 (Nil) Shares of Re. 1 each	96.77		-	
APL Apollo Tubes Ltd 6,260 (4,440) Shares of Rs. 10 each	76.52		63.92	
Aavas Financiers Ltd 214 (Nil) Shares of Rs. 10 each	2.54		-	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
Axis Bank Ltd. 7,055 (6,200) Shares of Rs. 2 each	26.76		48.12	
Aarti Surfactants Ltd 16 (Nil) Shares of Rs. 10 each	0.24		-	
Astral Poly Technik Ltd 273 (219) Shares of Re. 1 each	2.52		2.54	
AIA Engineering Ltd Nil (140) Shares of Rs. 2 each	-		2.51	
Alkem Lab Ltd 201 (201) Shares of Rs. 2 each	4.67		3.52	
Au Small Finance Bank Ltd. 1,046 (835) Shares of Rs. 10 each	5.30		4.97	
Bajaj Auto Ltd 1,404 (1,600) Shares of Rs. 10 each	28.43		46.64	
Bajaj Finance Ltd 5,135 (2,301) Shares of Rs. 2 each	114.05		69.60	
Bandhan Bank 419 (5,200) Shares of Rs. 10 each	0.85		27.30	
Bajaj Finserve Ltd 107 (126) Shares of Rs. 5 each	4.91		8.86	
Berger Paints India Ltd 1,626 (2,038) Shares of Re. 1 each	8.08		6.60	
Britania Industries Ltd 246 (194) Shares of Re. 1 each	6.62		5.98	
Balkrishna Industries Ltd Nil (274) Shares of Rs. 2 each	-		2.73	
Bayer Cropscience Ltd 36 (36) Shares of Rs. 10 each	1.24		1.59	
Birla Corporation Ltd 832 (832) Shares of Rs. 10 each	3.45		4.36	
Blue Star Ltd 481 (513) Shares of Rs. 2 each	2.21		3.48	
Cholamandalam Inv & Fin Co Ltd 1,010 (202) Shares of Rs. 10 each	1.55		2.92	
Canfin Homes Ltd 25,207 (1,007) Shares of Rs. 2 each	69.36		3.51	
Divis Laboratories Ltd 1,873 (Nil) Shares of Rs.2 each	37.23		-	
Dabur India Ltd 1,554 (894) Shares of Re. 1 each	6.99		3.66	
Development Credit Bank Ltd 4,320 (4,502) Shares of Rs. 10 each	4.10		9.22	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
Dhanuka Agritech Ltd 334 (334) Shares of Rs. 2 each	1.09		1.30	
Dishman Carbogen Amcis Ltd Nil (1,266) Shares of Rs. 2 each	-		2.64	
Dr Lal Path Ltd 289 (318) Shares of Rs. 10 each	4.05		3.32	
Exide Industries Ltd Nil (26,435) Shares of Re. 1 each	-		57.80	
Eicher Motors Ltd Nil (29) Shares of Rs. 10 each	-		5.96	
Gujarat Gas Ltd 753 (Nil) Shares of Rs. 2 each	1.75		-	
Gruh Finance Ltd Nil (1,434) Shares of Rs. 2 each	-		3.96	
Greenlam Industries Ltd Nil (265) Shares of Rs. 5 each	-		2.51	
Gabriel India Ltd 2,707 (2,707) Shares of Rs. 1 each	1.44		3.91	
GlaxoSmithkline Consumer Healthcare Ltd 16 (16) Shares of Rs. 10 each	1.60		1.16	
HDFC Bank Ltd 15,837 (8,077) Shares of Rs. 2 each	131.58		187.10	
Hindustan Unilever Ltd 207 (Nil) Shares of Re. 1 each	4.76		-	
HDFC Life Ins Co Ltd 16,450 (718) Shares of Rs. 10 each	70.01		2.72	
Havells India Ltd 986 (173) Shares of Re. 1 each	4.73		1.33	
Indian Energy Exch Ltd Nil (31,630) Shares of Re. 1 each	-		52.00	
INFO Edge (India) Ltd 4,000 (4,000) Shares of Rs. 10 each	81.45		73.71	
Infosys Ltd Nil (6,000) Shares of Rs. 5 each	-		44.54	
ICICI Lombard General Ins.Co.Ltd 432 (Nil) Shares of Re. 1 each	4.65		-	
Indusind Bank Nil (257) Shares of Rs. 10 each	-		4.58	
ICICI Securities Ltd 262 (Nil) Shares of Rs. 5 each	0.72		-	
IIFL Finance Ltd 352 (Nil) Shares of Rs. 2 each	0.26		-	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
IIFL Securities Ltd 352 (Nil) Shares of Rs. 2 each	0.11		-	
IIFL Holdings Ltd Nil (352) Shares of Rs. 2 each	-		1.51	
ITD Cement India Ltd 1,695 (1,695) Shares of Re. 1 each	0.50		2.23	
KEI Industries Ltd 21,325 (15,775) Shares of Rs. 2 each	59.94		67.14	
Kaveri Seed Co Ltd 483 (483) Shares of Rs. 2 each	1.65		2.22	
Kajaria Ceramics Ltd 1,110 (1,110) Shares of Re. 1 each	4.18		6.55	
La Opala RG Ltd Nil (22,780) Shares of Rs. 2 each	-		49.28	
Laxmi Vilas Bank Ltd Nil (3,012) Shares of Rs. 10 each	-		2.14	
Maruti Suzuki Ltd Nil (1,658) Shares of Rs. 5 each	-		110.62	
MAS Fin Serv Ltd 470 (450) Shares of Rs. 10 each	2.47		2.55	
Mahanagar Gas Ltd 445 (445) Shares of Rs. 10 each	3.64		4.69	
Navin Fluorine Intl Ltd 10,200 (12,000) Shares of Rs. 2 each	122.54		72.54	
Nestle India Ltd 21 (14) Shares of Rs. 10 each	3.42		1.54	
Odisha Cement Ltd 10,112 (5,412) Shares of Rs. 2 each	45.85		53.57	
Page Industries 30 (28) Shares of Rs. 10 each	5.08		6.97	
Petronet LNG Ltd Nil (1,417) Shares of Rs. 10 each	-		3.55	
Pidilite Industries Ltd 231 (Nil) Shares of Rs. 10 each	3.13		-	
PI Industries Ltd 240 (272) Shares of Rs. 10 each	2.81		2.81	
Pidilite Ind Ltd 257 (257) Shares of Re. 1 each	3.49		3.19	
PNB Housing Fin Ltd Nil (251) Shares of Rs. 10 each	-		2.17	
Qess Corp Ltd 440 (6,315) Shares of Rs. 10 each	0.94		47.53	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
Reliance Communications Ltd 100,000 (1000,000) Shares of Rs.5 each	0.69		4.14	
Reliance Industries Ltd Nil (298) Shares of Rs. 10 each	-		4.06	
Relaxo Footware Ltd 582 (334) Shares of Rs. 1 each	3.47		2.59	
Shilpa Medicate Ltd 11,088 (11,088) Shares of Re. 1 each	28.46		37.72	
Sterling & Wilson Solar Ltd 126 (Nil) Shares of Re. 1 each	0.10		-	
SBI Life Insurance Co. Ltd 380 (Nil) Shares of Rs. 10 each	2.44		-	
Shree Cements Ltd 12 (Nil) Shares of Rs. 10 each	2.11		-	
Supreme Industries Ltd Nil (332) Shares of Rs. 2 each	-		3.70	
Sanofi India Ltd 30 (Nil) Shares of Rs. 10 each	1.87		-	
Siyaram Silk Mills Ltd Nil (543) Shares of Rs. 2 each	-		2.42	
Solar Industries Ltd 228 (228) Shares of Rs. 2 each	2.08		2.45	
Suprajit Engg Ltd 640 (640) Shares of Re. 1 each	0.72		1.57	
Titan Company Limited 4,386 (24,385) Shares of Re.1 each	40.95		277.38	
Tata Consultancy Service Ltd 2,440 (Nil) Shares of Re. 1 each	44.49		-	
Tata Elexi Ltd 2,603 (4,572) Shares of Rs. 10 each	16.39		44.04	
Tasty Bite Eatables Ltd Nil (16) Shares of Rs. 10 each	-		1.34	
TTK Prestige Ltd 80 (67) Shares of Rs. 10 each	3.89		5.85	
United Spirits Ltd 10,000 (10,000) Shares of Rs. 2 each	48.52		55.30	
Voltas Ltd Nil (8,014) Shares of Re. 1 each	-		50.52	
Varun Bevarages Ltd 14,577 (9,751) Shares of Rs. 10 each	77.34		84.36	
V-Mart Retail Ltd 36 (36) Shares of Rs. 10 each	0.51		0.97	

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020		AS AT MARCH 31,2019	
VIP Industries Ltd 12,592 (237) Shares of Rs. 2 each	29.29	1,598.37	1.15	2,048.20
Windsome Diamonds & Jewellery Ltd. Nil (1,000) Shares of Rs. 10 each	-		0.01	
B				
Investments in Mutual Fund				
HDFC Small Cap Fund Direct Growth Plan 1,55,122 (1,55,122) Units	31.40		74.10	
Kotak Select Focus Fund Direct Plan Growth 2,15,853 (2,15,853) Units	62.58		81.41	
Motilal Oswal Most Focused Multicap35 Fund 3,61,232 (3,61,232) Units	74.47		98.40	
Reliance Liquid Fund - Div Reinvestment 23,653 (107) Units	0.29		237.14	
Reliance Liquid Fund Direct-Growth Nil (904) Units	-		41.23	
C				
		168.74		532.28
Total	A+B+C	1,790.42		2,603.79

8. TRADE RECEIVABLES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020		AS AT MARCH 31,2019	
Unsecured		1,933.40		1,176.64
Over six months from due date				
Considered Good	1,933.40		1,177.05	
Considered Doubtful	-		-	
	1,933.40		1,177.05	
Less: Provision for doubtful debts	-		0.41	
Others				
Considered Good				
		64,478.00		75,362.52
Total		64,478.00		76,539.16

9. CASH AND CASH EQUIVALENTS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Balances with Banks	17,199.20	14,830.81
Fixed Deposits with Banks	6,994.36	7,116.00
Cash on hand	19.40	34.41
Total	24,212.96	21,981.22

- Balance with banks include unclaimed Dividend of Rs. 0.13 lacs (For F.Y. 2018-19 it was Rs. 0.21 lacs), & unclaimed fractional entitlement Rs.0.17 lacs (For F.Y. 2018-19 it was Rs. 0.17 lacs).
- Fixed Deposits with banks includes deposits of Rs. 6,395.40 lacs (For F.Y. 2018-19 it was Rs. 7,067.37 lacs) pledged as collateral securities with the bank as security for facilities obtained.
- Fixed Deposits with banks includes deposits of Rs. 32.42 lacs (For F.Y. 2018-19 it was Rs. 30.59 lacs) kept as margin money against bank guarantees.

10. OTHER BANK BALANCES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Fixed Deposits with Banks	9,897.28	9,242.35
Total	9,897.28	9,242.35

- Fixed Deposits with banks include deposits of Rs. 568.41 lacs (For F.Y. 2018-19 it was Rs. 976.75 lacs) with maturity of more than 12 months.
- Fixed Deposits with banks includes deposits of Rs. 9,045.20 lacs (For F.Y. 2018-19 it was Rs. 8,460.92 lacs) pledged as collateral securities with the bank as security for facilities obtained.
- Fixed Deposits with banks includes deposits of Rs. 852.08 lacs (For F.Y. 2018-19 it was Rs. 781.43 lacs) kept as margin money against bank guarantees.

11. LOANS AND ADVANCES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Loans & Advances Others *		
Unsecured, considered good	12,219.46	5,447.09
Total	12,219.46	5,447.09

* Includes advance interest paid on loan, advance to suppliers, prepaid express, staff loans, etc

12. OTHER FINANCIAL ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Others	-	8.86
Derivatives - Foreign Exchange Contracts	265.04	-
Total	265.04	8.86

13. SHARE CAPITAL

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs.10 each	2,500.00	2,500.00
4,00,00,000 (4,00,00,000) Redeemable Cumulative Preference Shares of Rs.10 each	4,000.00	4,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,60,06,800 (1,60,06,800) Equity Shares of Rs. 10 each	1,600.68	1,600.68
Total	1,600.68	1,600.68

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

NAME OF THE SHAREHOLDERS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
	No. of SHARES HELD	% of HOLDING	No. of SHARES HELD	% of HOLDING
Vipul Prabodh Shah	40,00,050	24.99	40,00,050	24.99
Nirmala Dinesh Shah	18,00,000	11.25	18,00,000	11.25
Arvind Tarachand Shah	15,84,450	9.90	15,84,450	9.90
Priyanshu Arvind Shah	12,15,450	7.59	12,15,450	7.59
Rasila Arvind Shah	12,00,000	7.50	12,00,000	7.50
Dharmesh Dinesh Shah	11,50,000	7.18	11,50,000	7.18
Dinesh Tarachand Shah	10,00,050	6.25	10,00,050	6.25
Total	1,19,50,000	74.66	1,19,50,000	74.66

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

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Equity shares at the beginning of the year	1,60,06,800	1,60,06,800
Equity shares at the end of the year	1,60,06,800	1,60,06,800

14. OTHER EQUITY

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020		AS AT MARCH 31, 2019	
Capital Reserves				
As per Last Balance Sheet		294.50		294.50
Capital Redemption Reserve				
As per Last Balance Sheet		1,986.44		1,986.44
General Reserves				
As per Last Balance Sheet	14,213.37		14,013.37	
Add : Transfer from Surplus Account	200.00		200.00	
		14,413.37		14,213.37
Minority Interest		(175.86)		(195.37)
Surplus Account				
As per last Balance Sheet	88,201.59		77,156.39	
Add: Profit for the Year	6,340.41		11,492.54	
	94,542.00		88,648.93	
Less: Appropriations				
Transferred to General Reserve	200.00		200.00	
Dividend Paid	240.10		240.10	
(Dividend per Share Rs.1.50/-)				
(Previous Year Dividend per Share Rs.1.50/-)				
Provision for Tax of Earlier Years written off	-		7.24	
	440.10		447.34	
		94,101.97		88,201.59
Other Comprehensive Income		4,084.14		1,250.25
Total		1,14,704.49		1,05,750.78

15. LONG TERM BORROWINGS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Unsecured Loans		
Loan from Others	206.65	217.08
Loan from Related Party - Directors	4,877.36	4,947.50
Total	5,084.01	5,164.58

16. DEFERRED TAX LIABILITY

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Deferred Tax Liability on account of :		
Property, Plant & Equipment	5,200.58	5,035.48
Others	-	45.60
A	5,200.58	5,081.08
Deferred Tax Asset on account of :		
Provision for Doubtful Debts	20.11	20.11
Gratuity Liability	192.23	192.23
Others	10.85	-
B	250.47	212.34
Deferred Tax Liability (Net)	A-B	4,868.74

17. LONG TERM PROVISIONS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Provision for Employee Benefits		
Provision for Gratuity (unfunded)	731.45	891.57
Total	731.45	891.57

18. NON CURRENT TAX LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Deferred Income (Liability)	758.17	561.08
Total	758.17	561.08

19. SHORT TERM BORROWINGS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31,2020	AS AT MARCH 31,2019
Secured Loans		
Working Capital Loan from Banks	52,289.44	54,999.34
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Mortgage of Premises at Mumbai & Surat		
d. Guaranteed by some of the Directors in their personal capacity		
Unsecured Loans		
Loan from Related Party / Others	8,960.77	8,867.43
Total	61,250.21	63,866.77

20. TRADE PAYABLES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Creditors for Goods		
Total outstanding dues of micro enterprises and small enterprises	338.16	66.94
Others	6,215.35	17,254.42
A	6,553.51	17,321.36
Creditors for Processing		
Total outstanding dues of micro enterprises and small enterprises	4.62	439.48
Others	6,463.92	2,366.83
B	6,468.54	2,806.31
Total	13,022.05	20,127.67

21. OTHER FINANCIAL LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Derivatives Foreign Exchange Contracts	302.48	34.30
Total	302.48	34.30

22. OTHER CURRENT LIABILITIES

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Unclaimed Dividend	0.13	0.21
Other Payables*	992.11	3,025.59
Total	992.24	3,025.80

* Includes statutory dues and payable for expenses /services.

23. REVENUE FROM OPERATIONS

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
Sale of Products	3,04,271.30	3,63,545.26
Sale of Services	1,022.32	674.10
Total	3,05,293.62	3,64,219.36

23.1 PARTICULARS OF SALE OF PRODUCTS

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
Diamonds	2,39,448.29	3,04,177.29
Jewellery	64,309.19	58,765.38
Power- Windmill	513.82	602.59
Total	3,04,271.30	3,63,545.26

24. OTHER INCOME

PARTICULARS	(Rs. in lacs)	
	2019-2020	2018-2019
Other Interest Income	104.73	49.35
Commission Income	36.24	35.69
Dividend Income	19.72	16.53
Fair Value Gain / (loss) on Investments	(486.62)	271.72
Insurance Claim - Diamonds	-	48.78
Net gain/(loss) on sale of Investments	(57.04)	(2.51)
Service Tax Refund	7.26	9.96
Duty Benefit on Import of Machinery	45.84	45.16
Miscellaneous Receipts	15.55	8.19
Net (Gain)/loss on foreign currency transactions and translation	(95.92)	(31.49)
Share of profit from Partnership Firm	17.91	3.93
Total	(390.33)	455.31

25. COST OF MATERIALS CONSUMED

PARTICULARS	(Rs. in lacs)	
	2019-2020	2018-2019
Stock at the Commencement	11,928.31	14,925.47
Purchases during the year	1,24,527.31	1,75,048.72
	1,36,455.62	1,89,974.19
Less : Stock at the Close	15,745.22	11,928.31
Total	1,20,710.40	1,78,045.88

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

PARTICULARS	(Rs. in lacs)	
	2019-2020	2018-2019
Variation in Stock of Work-In-Progress		
Stock at the Commencement	6,410.96	4,737.29
Less: Stock at the Close	4,912.20	6,410.96
A	1,498.76	(1,673.67)
Variation in Stock of Finished Goods		
Stock at the Commencement	27,319.00	31,500.50
Less: Stock at the Close	30,121.30	27,319.00
B	(2,802.30)	4,181.50
Variation in Stock-in-Trade		
Stock at the Commencement	10,904.17	4,729.08
Less: Stock at the Close	4,480.21	10,904.17
C	6,423.96	(6,175.09)
Total	5,120.42	(3,667.26)
	A+B+C	

27. EMPLOYEE BENEFITS EXPENSE

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
Salary & Bonus	4,480.29	3,759.43
Director's Remuneration	600.00	1,002.71
Wages	889.16	1,239.82
Gratuity	109.42	130.16
Ex Gratia & Leave Encashment	156.40	183.98
Labour Welfare Fund Expenses	3.89	0.59
Contribution to Provident Fund	234.70	224.60
Group Health Insurance Premium	16.46	3.46
Contribution to E.S.I.C.	36.85	50.24
Staff Welfare Expenses	45.52	151.63
Total	6,572.69	6,746.62

28. FINANCE COSTS

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
Interest Expense	1,683.05	2,349.36
Other borrowing costs	280.68	286.42
Other Interest	2.24	2.85
Total	1,965.97	2,638.63

29. OTHER EXPENSES

(Rs. in lacs)

PARTICULARS	2019-2020		2018-2019	
Manufacturing Expenses				
Processing Expenses	28,011.84		25,003.03	
Electricity, Power & Fuel	445.16		430.29	
Promotion Fund Expenses on Import	15.49		15.82	
Consumption of Stores & Spares	462.33		404.50	
Factory Expenses	273.91		172.14	
		29,280.73		26,025.78
Administrative / Selling & Distribution Expenses				
Bank Comission & Charges	258.88		311.82	
Electrical Charges	52.72		105.56	
Telephone, Internet and Fax Charges	84.27		82.75	
Local Travelling and Conveyance	67.30		87.51	
Legal & Professional fees	559.62		280.63	
Audit Fees	14.53		14.27	
Printing & Stationery	62.11		69.66	
Repairs & Maintenance (Other)	144.13		132.83	
Repairs & Maintenance (Building)	9.42		36.50	
Repairs & Maintenance (Plant & Machinery)	133.06		146.53	
Repairs & Maintenance (Windmill)	247.77		261.22	
Postage and Courier	66.59		82.28	
Bad Debts (Net of Recovery)	59.53		65.76	
Provision for Doubtful Debts	-		(58.12)	
Rates & Taxes	0.02		0.95	
Motor Car Expenses	76.94		76.18	
Insurance Premium	136.39		180.81	
Rent & Compensation	252.78		265.38	
Donation	49.91		37.23	
CSR Expenditure	112.50		96.65	
Office Canteen Expenses	79.91		79.26	
Office Expenses	42.67		92.27	
Director's Sitting Fees	2.60		1.03	
Sundry Expenses	136.89		140.28	
Security Charges	93.37		83.19	
Registration & Filing Charges	0.71		2.54	
Membership and Subscription	23.91		35.22	
Service tax paid	223.22		-	
Preliminary exp written off	0.05		0.06	
Advertisement	15.81		24.12	
Sales Expenses	341.74		436.33	
Foreign Travelling	285.42		318.43	
Commission on Sales	300.44		415.23	
Re-Assortment Charges	20.66		25.89	
Freight & Clearing Charges	345.62		332.32	
Agency Charges	23.82		24.03	
E.C.G.C. Premium	182.74		175.97	
Diamond Grading Charges	871.59		1,099.53	
Packing Expenses	80.23		67.64	
		5,459.87		5,629.74
Total		34,668.60		31,655.52

30. EXCEPTIONAL ITEMS

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
Net gain/(loss) on sale of Fixed Assets	(13.58)	(347.08)
Total	(13.58)	(347.08)

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	234.70
Employers Contribution to Employees State Insurance Scheme	36.85
Employers Contribution to Labour Welfare Fund	3.89

b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2020 and recognized in the financial statement in respect of Employee Benefits Scheme:

(Rs. in lacs)

DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
I) Assumptions	(%)
a) Expected Return on Plan Assets	6.86 %
b) Rate of Discounting	6.86 %
c) Rate of Salary Increase	1.00 %
d) Rate of Employee Turnover	2.00 %
II) Change in Present value of Projected Benefit Obligation	
a) Present value of benefit obligation at beginning of the year	977.47
b) Current Service Cost	104.91
c) Interest Cost	100.08
d) Benefit Paid from the fund	(76.32)
e) Actuarial (gain)/loss on obligation	(158.02)
f) Present value of obligation as at end of the year	1,232.39
III) Change in fair value of Plan Assets	
a) Fair value of the Plan Assets at the beginning of the year	511.03
b) Interest Income	39.81
c) Contributions by the Employer	36.85
d) Benefit Paid from the fund	(76.32)
e) Return on Plan Assets, Excluding Interest Income	(8.81)
f) Fair value of Plan Assets at the end of the year	502.57
IV) Amount Recognized in the Balance Sheet	
a) Present value of benefit obligation at the end of the year	(1,232.39)
b) Fair Value of Plan Assets at the end of the year	502.57
c) Funded Status (Surplus/ (Deficit))	(729.82)
d) Net (Liability)/Asset Recognized in the Balance Sheet	(729.82)
V) Expenses Recognized in the Statement of Profit & Loss	
a) Net Interest Cost	60.27
b) Current Service Cost	104.91
c) Expenses recognized in Profit & Loss Statement	165.18

(Rs. in lacs)	
DISCLOSURE STATEMENT AS PER IND AS 19	GRATUITY (FUNDED)
VII) Expenses Recognized in the Other Comprehensive Income (OCI) for Current period	
a) Actuarial (Gains)/Losses on Obligation for the Period	(158.02)
b) Return on Plan Assets, excluding Interest Income	8.81
c) Net (Income)/Expense for the Period Recognized in OCI	(149.22)
VIII) Sensivity Analysis	
Projected Benefit Obligation on Current Assumptions	1,232.39
Delta effect of +1% change in rate of Discounting	(94.20)
Delta effect of -1% change in rate of Discounting	108.40
Delta effect of +1% change in rate of Salary Increase	100.93
Delta effect of -1% change in rate of Salary Increase	(88.66)
Delta effect of +1% change in rate of Employee Turnover	62.93
Delta effect of -1% change in rate of Employee Turnover	(70.05)

32. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of Asian Star Co. Ltd. have recommended dividend of Rs. 1.50 per fully paid up equity share of Rs. 10/- each, aggregating to Rs. 290.93 lacs, including Rs. 50.83 lacs dividend distribution tax for the financial year 2019-20, which is based on relevant share capital as on March 31, 2020. The actual dividend amount will be dependent on the relevant share capital outstanding on the record date / book closure.

33. TAXATION

Income tax recognized in statement of profit and loss

(Rs. in lacs)		
PARTICULARS	2019-2020	2018-2019
Current tax	1,363.20	1,956.91
Deferred tax	81.37	149.62
Income tax expense recognised in statement of profit and loss	1,444.57	2,106.53

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

(Rs. in lacs)		
PARTICULARS	2019-2020	2018-2019
Profit before tax	7,775.01	14,036.64
Applicable tax rate	34.320%	34.940%
Computed Tax Expense	2,668.39	4,904.41
Tax effect of:		
Exempted income	(86.40)	(120.49)
Expenses disallowed	454.59	106.85
Differential tax rate on income of SEZ unit & dividend from foreign subsidiary	(158.43)	(111.59)
Non taxable subsidiaries and effect of differential tax rate under various jurisdiction	(1,514.95)	(2,822.26)
Current Tax Provision A	1,363.20	1,956.92
Decremental Deferred tax Liability on account of Tangible Assets	165.09	157.63
(Incremental)/ Decremental Deferred tax Liability on account of other items	(83.72)	(8.21)
Deferred Tax Provision B	81.37	149.62
Tax Expenses recognised in Statement of Profit and Loss A+B	1,444.57	2,106.54
Effective Tax Rate	18.58%	15.01%

34. RELATED PARTY DISCLOSURE FOR THE YEAR ENDED 31ST MARCH, 2020:**(i) List of Related Parties and relationships:**

(A) Particulars of Enterprises controlled by the Company Name of Related Party Asian Star Company Ltd. - (U.S.A.) Asian Star DMCC Asian Star Trading (Hong Kong) Ltd.	Relationship Wholly owned Subsidiary Wholly owned Subsidiary Wholly owned Subsidiary
(B) Particulars of Key Management Personnel Name of Related Party Dinesh T. Shah Vipul P. Shah Dharmesh D. Shah Arvind T. Shah Priyanshu A. Shah Rahil V. Shah	Relationship Chairman & CFO CEO & Managing Director Director Executive Director Executive Director Executive Director
(C) Particulars of Enterprises Under Common control of the Key Management Personnel Jewel Art Asian Star Diamonds International Pvt. Ltd. Shah Manufacturers Rahil Agencies A'Star Exports	
(D) Particulars of Relatives of Key Management Personnel where there are transactions Himanshu A. Shah Pooja P. Shah Sujata V. Shah Gemasia B.V.B.A. (Relative of director has a significant influence) A M Exports (Relative of director has a significant influence)	

(ii) Transactions during the year with Related Parties:

(Rs. in lacs)

Particulars	Name of the Party	2019-2020		2018-2019	
		Volume	Amount Outstanding as on 31.03.2020	Volume	Amount Outstanding as on 31.03.2019
Sale of Polished Diamonds	Asian Star Co. Ltd. - (U.S.A.)	11,229.79	2,686.90	13,323.34	3,761.22
	Jewel Art (Unit-II)	147.73	147.73	611.71	246.49
	Gemasia B.V.B.A.	2,894.34	425.62	4,325.26	2,118.70
Sale of Rough Diamonds	A. M. Exports	210.79	Nil	79.76	Nil
	Gemasia B.V.B.A.	Nil	Nil	299.91	Nil
Purchase of Rough Diamonds	Asian Star DMCC	34,057.66	9,129.51	15,781.06	1,454.59
	Gemasia B.V.B.A.	432.70	Nil	1,726.86	55.96
Purchase of Polished Diamonds	A. M. Exports	3,153.12	222.53	3,153.12	222.53
Dividend Received	Asian Star DMCC	247.93	Nil	248.26	Nil
Investment in Subsidiary	Asian Star Co. Ltd. (USA)	Nil	178.75	Nil	178.75
	Asian Star Trading (Hong Kong) Ltd.	Nil	103.58	Nil	103.58
	Asian Star DMCC	Nil	62.23	Nil	62.23
Corporate Guarantee given * The difference in value as on 31 March is due to change in Exchange rate	Asian Star Trading (Hong Kong) Ltd.	Nil	18,092.61	Nil	16,601.11
	Asian Star DMCC	Nil	7,538.59	(7,028.35)	6,917.13
Corporate Guarantee Commission Received	Asian Star Trading (Hong Kong) Ltd.	90.46	90.46	82.51	Nil
	Asian Star DMCC	37.69	37.69	59.26	Nil
Directors' Remuneration	Dinesh T. Shah	125.00	Nil	125.00	Nil
	Arvind T. Shah	125.00	Nil	125.00	Nil
	Vipul P. Shah	175.00	Nil	175.00	Nil
	Priyanshu A. Shah	100.00	Nil	100.00	Nil
	Rahil V. Shah	75.00	Nil	75.00	Nil
Rent Paid	Dinesh T. Shah	0.96	Nil	0.96	Nil
	Arvind T. Shah	0.96	Nil	0.96	Nil
	Dharmesh D. Shah	0.72	Nil	0.72	Nil
	Vipul P. Shah	0.96	Nil	0.96	Nil
Amount Outstanding Shown under Deposits for Office Premises	Dinesh T. Shah	Nil	30.00	Nil	30.00
	Arvind T. Shah	Nil	30.00	Nil	30.00
	Dharmesh D. Shah	Nil	20.00	Nil	20.00
	Vipul P. Shah	Nil	30.00	Nil	30.00
Unsecured Loans Taken/(Repaid) -(Net)	Dinesh T. Shah	(30.99)	6,297.01	3,362.00	6,328.00
	Arvind T. Shah	278.00	1,015.17	574.37	737.17
	Dharmesh D. Shah	(10.00)	912.30	(20.70)	922.30
	Vipul P. Shah	72.99	5,179.56	347.07	5,106.57
	Priyanshu A. Shah	59.34	780.23	323.89	720.89
Interest Paid on Director's Loan	Dinesh T. Shah	110.00	198.00	110.00	99.00
	Vipul P. Shah	112.50	202.50	112.50	101.25

(Rs. in lacs)

Particulars	Name of the Party	2019-2020		2018-2019	
		Volume	Amount Outstanding as on 31.03.2020	Volume	Amount Outstanding as on 31.03.2019
Contract for Processing of Diamonds	Shah Manufacturers	4,555.89	(409.78)	16,721.19	837.79
Sale of Jewellery / Sale of Services / Rubber Moulds / Colour Stones	Rahil V Shah	Nil	Nil	8.58	Nil
	Sujata V Shah	119.90	Nil	7.36	Nil
	Himanshu A. Shah	Nil	Nil	69.21	Nil
	Pooja P. Shah	2.32	Nil	Nil	Nil
	Priyanshu A. Shah	1.99	Nil	Nil	Nil
	Vipul P. Shah	0.83	Nil	Nil	Nil
	Asian Star Co. Ltd. - (U.S.A.)	19.39	7.60	18.32	2.67
	Jewel Art	13.72	10.98	Nil	Nil
Purchase of Gold and Silver	Asian Star Co. Ltd. - (U.S.A.)	10.26	10.26	11.83	Nil
Sale of Machinery	Jewel Art	0.14	Nil	3.40	Nil

Note: Sale includes GST.

35. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities required unanimous consent of parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Company has invested in Joint venture, Ratnanjali Infra LLP. The Company's interest in the said LLP is of 45 % share in Profit / Loss of the LLP. The Company has only right over the net assets of the Entity. The net asset is calculated using Equity method of accounting. Joint venture entity of the company is individually not material.

Analysis of the Company's Investment in Joint Venture:

(Rs. in lacs)

PARTICULARS	AMOUNT
Investments as on 01-04-2019	2,447.19
Addition during the year	0.02
Interest on Capital received	261.43
Share of Profit / (loss) (to the extent of Company's share in the joint venture)	17.91
Balance as on 31-03-2020	2,726.56

The joint venture have no significant contingent liabilities to which the Company is exposed, and the Company has no significant contingent liabilities in relation to its interest in the joint ventures. The risks associated with the Company's interest in joint ventures are the same as those identified for the Company.

36. Corporate Social Responsibility (CSR):

- a) Gross amount required to be spent during the year : Rs. 130.66 lacs
b) Amount spent during the year :

(Rs. in lacs)

SR. NO.	PARTICULARS	IN CASH	YET TO BE PAID IN CASH	TOTAL
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than above	121.13	-	121.31
	Total	121.13	-	121.13

- 37. a)** The Company has disputed liability of Rs. 3.32 crores (For F.Y. 2018-19 it was Rs. 3.32 crores) in respect of Customs duty raised by Commissioner of Customs. In respect of the demand raised by Commissioner of Customs, the Company is of the opinion that the demand is not tenable and has made appropriate submission to the department. The Company has received stay order from Gujarat High Court against the demand of Custom Duty.

- b) The Company has disputed Income tax liability of Rs. 8.96 crores for A.Y. 2012-13 and Rs. 0.43 crores for A.Y. 2017-18. The Company is of the opinion that these demands are not tenable and has filed appeal against them with Commissioner of Income Tax (appeals).

The above demands shall be charged to Profit & Loss statement, if required, on disposal of the matter.

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

(Rs. in lacs)

SR. NO.	PARTICULARS	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
1	Principal amount due and remaining unpaid	368.34	539.68
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in Succeeding years	-	-

39. EARNING PER SHARE:

(Rs. in lacs)

PARTICULARS	2019-2020	2018-2019
Profit After Tax (Rs.)	6,340.41	11,492.54
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.)	39.61	71.80

40. FINANCIAL INSTRUMENTS DISCLOSURE

FINANCIAL ASSETS

(Rs. in lacs)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
NON-CURRENT		
Investments - (refer note 2)		
Unquoted, fully paid up in Equity Shares of Other Companies At fair Value through Profit and Loss		
Indian Commodity Exchange Ltd.	2,010.00	2,010.00
Utkarsh Coreinvest Ltd.	117.00	117.00
Other Investments		
Ratnanjali Infra LLP (Partnership Firm)	2,726.56	2,447.19
Aggregate fair value	4,853.56	4,574.19
Aggregate book value	4,853.56	4,239.19
Gain / (Loss) on fair value recognised in P&L	-	335.00
Other Financial Assets	66.17	90.73
CURRENT		
i) Investments (refer note 7)		
At Fair Value through Profit and loss		
a. Unquoted, fully paid up In bonds At Fair Value through Profit and loss		
Sovereign Gold Bond Scheme	23.31	23.31
Aggregate fair value	23.31	23.31
Aggregate book value	23.31	23.31
Gain / (Loss) on fair value recognised in P&L	-	-
b. Quoted, fully paid up In Equity & Mutual fund At Fair Value through Profit and loss		
Winsome Diamonds & Jewellery Ltd.	-	0.01
Titan Companyn Limited	40.94	277.38
Reliance Communications Ltd	0.69	4.14
Aarti Industries Ltd	156.55	154.65
Aegis Logistics Ltd	66.27	100.61
Amber Enterprises India Ltd	96.77	-
APL Apollo Tubes Ltd	76.52	63.92
Exide Industries Ltd	-	57.80
HDFC Bank Ltd	131.58	187.10
Indian Energy Exchange Ltd	-	52.00
La Opala RG Ltd	-	49.28
KEI Industries Ltd	59.94	67.14
Maruti Suzuki Ltd	-	110.62
Navin Fluorine Intl Ltd	122.54	72.54
Odisha Cement Ltd	45.85	53.57
Qness Corp Ltd	0.94	47.53
Shilpa Medicate Ltd	28.46	37.22
Voltas Ltd	-	50.52
Axis Bank Ltd	26.76	48.12
Bajaj Auto Ltd	28.43	46.44
Bajaj Finance Ltd	114.05	69.60
Bandhan Bank	0.85	27.30
Divis Laboratories Ltd	37.23	-
INFO Edge (India) Ltd	81.45	73.71
Infosys Ltd	-	44.54
Sterling & Wilson Solar Ltd	0.10	-
Tata Consultancy Service Ltd	44.48	-
Tata Elexi Ltd	16.39	44.04
United Spirits Ltd	48.51	55.30
Varun Beverages Ltd	77.34	84.36

PARTICULARS	(Rs. in lacs)	
	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Aavas Financiers Ltd	2.54	-
Bajaj Finserv Ltd	4.91	8.86
Berger Paints India Ltd	8.08	6.60
Britannia Industries Ltd	6.62	5.98
Dabur India Ltd	6.99	3.66
Gujarat Gas Ltd	1.75	-
Hindustan Unilever Ltd	4.76	-
ICICI Lombard General Ins. Co. Ltd	4.65	-
Eicher Motors Ltd	-	5.96
Gruh Finance Ltd	-	3.96
HDFC Life Ins Co Ltd	70.01	2.72
Indusind Bank	-	4.58
Kaveri Seed Co Ltd	1.65	2.22
P I Industries Ltd	2.81	2.81
Page Industries	5.08	6.97
Petronet LNG Ltd	-	3.55
Pidilite Industries Ltd	3.13	-
Reliance Industries Ltd	-	4.06
SBI Life Insurance Co. Ltd	2.44	-
Shree Cements Ltd	2.11	-
Supreme Industries Ltd	-	3.70
Aarti Surfactants Ltd	0.24	-
Astral Poly Technik Ltd	2.52	2.54
AIA Engineering Ltd	-	2.51
Balkrishna Industries Ltd	-	2.73
Cholamandalam Inv & Fin Co Ltd	1.55	2.92
Greenlam Industries Ltd	-	2.51
Havells India Ltd	4.73	1.33
Kajaria Ceramics Ltd	4.18	6.55
MAS Fin Serv Ltd	2.47	2.55
Nestle India Ltd	3.42	1.54
Pidilite Ind Ltd	3.49	3.19
PNB Housing Fin Ltd	-	2.17
Relaxo Footwear Ltd	3.47	2.59
Sanofi India Ltd	1.87	-
Siyaram Silk Mills Ltd	-	2.42
Solar Industries Ltd	2.07	2.45
Tasty Bite Eatables Ltd	-	1.34
Alkem Lab Ltd	4.67	3.52
Au Small Fin Bank	5.30	4.97
Bayer Cropscience Ltd	1.25	1.59
Birla Corporation Ltd	3.45	4.36
Birla Corporation Ltd	2.21	3.48
Canfin Homes Ltd	69.36	3.51
Development Credit Bank Ltd	4.10	9.22
Dhanuka Agritech Ltd	1.09	1.30
Dishman Carbogen Amcis Ltd	-	2.64
Dr Lal Path Ltd	4.05	3.33
Gabriel India Ltd	1.44	3.91
Glaxo Smithkline Consumer Healthcare	1.60	1.16
ICICI Securities Ltd	0.72	-

PARTICULARS	(Rs. in lacs)	
	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
IIFL Finance Ltd	0.26	-
IIFL Securities Ltd	0.11	-
IIFL Holdings Ltd	-	1.51
ITD Cement India Ltd	0.50	2.23
Laxmi Vilas Bank Ltd	-	2.14
Mahanagar Gas Ltd	3.64	4.69
Suprajit Engg Ltd	0.72	1.57
TTK Prestige Ltd	3.89	5.85
V-Mart Retail Ltd	0.51	0.97
VIP Industries Ltd	29.29	1.15
Reliance Liquid Fund -Div Reinvestment	0.29	237.15
Reliance Liquid Fund Direct-Growth	-	41.23
HDFC Small Cap Fund Direct Growth Plan	31.40	74.10
Kotak Select Focus Fund Direct Plan Growth	62.58	81.42
Motilal Oswal Most Focused Multicap 35 Fund	74.47	98.41
Aggregate fair value of quoted investments	1,767.11	2,580.49
Aggregate book value of quoted investments	2,251.73	2,643.77
Gain / (Loss) on fair value recognised in P&L	[484.62]	[63.28]
ii) Trade Receivables - At amortised cost	66,711.40	76,539.16
iii) Cash and Cash Equivalents (refer note 9)		
Balances with Banks in Current accounts	17,199.20	14,830.81
Fixed Deposits with Banks	6,994.36	7,116.00
Cash on hand	19.40	34.41
iv) Other Bank Balances (refer note 10)	9,897.28	9,242.35
v) Loans & Advances (refer note 11)		
Loans (Considered good unless otherwise stated)		
At Amortised Cost		
Unsecured, considered good	12,219.46	5,447.09
vi) Other Financial Assets (refer note 12)		
Derivatives - Foreign Exchange Contracts -At FVTPL	265.04	-
Others	-	8.86
Total Financial Assets	1,20,016.29	1,20,487.40

FINANCIAL LIABILITIES

PARTICULARS	(Rs. in lacs)	
	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
NON-CURRENT		
Borrowings (refer note 15)		
At Amortised cost		
Loans from related parties-directors	4,877.36	4,947.50
Loan from Others	206.65	217.08
CURRENT		
i) Borrowings (refer note 19)		
At Amortised cost		
Secured working Capital Loan from Banks	52,289.44	54,999.34
Loans from related parties -directors and others	8,960.77	8,867.43
ii) Trade Payables (refer note 20)		
At Amortised Cost		
Creditors for Goods	6,553.51	17,321.36
Creditors for Processing	6,468.54	2,806.31
iii) Other Financial Liabilities - At FVTPL (refer note 21)		
Derivatives Foreign Exchange contracts	302.48	34.30
Total Financial Liabilities	79,658.75	89,193.32

FINANCIAL INSTRUMENTS BY CATEGORY

PARTICULARS	(Rs. in lacs)					
	AS AT MARCH 31, 2020			AS AT MARCH 31, 2019		
	FVTPL	FVOCI	AMORTISED COST	FVTPL	FVOCI	AMORTISED COST
FINANCIAL ASSETS						
Non-Current						
Investments	4,853.56	-	-	4,574.19	-	-
Other Financial Assets	-	-	66.17	-	-	90.73
Current						
Investments	1,790.42	-	-	2,603.79	-	-
Trade Receivables	-	-	6,6711.40	-	-	76,539.16
Cash and Cash Equivalents	24,212.89	-	-	21,981.22	-	-
Other Bank balances	9,897.28	-	-	9,242.35	-	-
Loans & Advances	-	-	12,219.46	-	-	5,447.09
Other Financial Assets	-	-	-	-	-	8.86
Derivatives - Foreign Exchange Contracts	-	-	265.04	-	-	-
FINANCIAL LIABILITIES						
Non-Current						
Borrowings	-	-	5,084.01	-	-	5,164.58
Current						
Borrowings	-	-	61,250.21	-	-	63,866.77
Trade Payables	-	-	13,022.05	-	-	20,127.67
Derivatives - Foreign Exchange Contracts	302.48	-	-	34.30	-	-

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

FAIR VALUE RELATED DISCLOSURES:

Fair Value Measurement:

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

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

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

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

Valuation Techniques and Inputs Used

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

- a. Long-term receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses, if any, of these receivables.
- b. The fair values of the quoted equity shares are based on price quotations at the reporting date (Level 1 inputs).
- c. The Company enters into derivative financial instruments in the form of Foreign exchange Forwards & Options contracts. The counterparties of these contracts are Banks. These derivatives constitute hedge from an economic perspective and are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly in the revenue from Sale of products or purchases in the Statement of Profit and Loss. Foreign exchange forward and Option contracts are valued using valuation techniques, which employ the use of market observable inputs. The valuation technique applied is the use of "quoted prices in active markets".
- d. The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

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

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

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

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

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

Comparison by class of the carrying amounts and fair value of Financial Instruments

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

FAIR VALUE HIERARCHY

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

(Rs. in lacs)

Particulars			Fair Value measurement using		
	Date of Valuation	Total	Quoted Prices in the active market (Level1)	Significant observable inputs (Level2)	Significant observable input (Level3)
Assets measured at fair value (Note No. 2,7,9,10,12)					
Investments					
Non-Current	31.03.20	4,853.56	-	4,853.56	-
Current	31.03.20	1,790.42	1,790.42	-	-
Cash and Cash Equivalents	31.03.20	24,212.96	-	-	-
Other Bank Balances	31.03.20	9,897.28	-	-	-
Derivatives - Foreign Exchange Contracts	31.03.20	265.04	265.04	-	-
Assets for which fair values are disclosed (Note No. 3,8,11)					
Loans & Advances (Current) to others	31.03.20	12,219.46	-	12,219.46	-
Other Financial Assets					
Current	31.03.20	-	-	-	-
Non-Current	31.03.20	66.17	-	66.17	-
Trade Receivables	31.03.20	66,711.40	-	66,711.40	-
Liabilities measured at fair value (Note No. 21)					
Derivatives - Foreign Exchange Contracts	31.03.20	302.48	302.48	-	-
Liabilities for which fair values are disclosed (Note No. 15,19,20)					
Borrowings					
Non-Current	31.03.20	5,084.01	-	5,084.01	-
Current	31.03.20	61,250.21	-	61,250.21	-
Trade Payables	31.03.20	13,022.05	-	13,022.05	-

(Rs. in lacs)

Particulars			Fair Value measurement using		
	Date of Valuation	Total	Quoted Prices in the active market (Level1)	Significant observable inputs (Level2)	Significant observable input (Level3)
Assets measured at fair value (Note No. 2,7,9,10)					
Investments					
Non-Current	31.03.19	4,574.19	-	4,574.19	-
Current	31.03.19	2,603.79	2,603.79	-	-
Cash and Cash Equivalents	31.03.19	21,981.22		-	-
Other Bank Balances	31.03.19	9,242.35	-	-	-
Assets for which fair values are disclosed (Note No. 3,8,11,12)					
Loans & Advances (Current) to Others	31.03.19	5,447.09	-	5,447.09	-
Other Financial Assets					
Current	31.03.19	8.86	-	8.86	-
Non-Current	31.03.19	90.73	-	90.73	-
Trade Receivables	31.03.19	76,539.16	-	76,539.16	-
Liabilities measured at fair value (Note No. 21)					
Derivatives - Foreign Exchange Contracts	31.03.19	34.30	34.30	-	-
Liabilities for which fair values are disclosed (Note No. 15,19,20)					
Borrowings					
Non-Current	31.03.19	5,164.58	-	5,164.58	-
Current	31.03.19	63,866.77	-	63,866.77	-
Trade Payables	31.03.19	20,127.67	-	20,127.67	-

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

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

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

Other Fair Value related Disclosures

Recurring / Non-Recurring Classification of Fair Value:

All fair value measurements for the period ended 31.03.2020 and 31.03.2020 are recurring in nature and there are no Non-recurring fair value measurements of assets or liabilities in these periods.

Level 3 Inputs Related Disclosure

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

Transfers between Level 1 and Level 2

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

Change in Valuation techniques, if any

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

Financial risk factors

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

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

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

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

Credit risk

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

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

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

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as at 31 March, 2020. Of the total trade receivables, Rs. 50,530 lacs as at March 31, 2020 and Rs. 66,156 lacs as at March 31, 2019 consisted of customer balances that were neither past due nor impaired. The Company's Credit risk management policies include categorizing the loans and trade receivables based on estimates of Probability of Default and calculation of Expected Credit Losses (ECL).

Loans and advances include loans given to staff Rs. 62 lacs as at March 31, 2020 and Rs. 40 lacs as at March 31, 2019 which the company perceives no impairment loss to be provided for.

Financial Assets That Are Past Due But Not Impaired

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

PERIOD IN DAYS	(Rs. in lacs)	
	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
1-90	10,291	6,827
91-180	2,486	2,097
More than 180	1,933	1,449
Total	14,710	10,383

Liquidity risk

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

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

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

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

Contractual undiscounted cash flows	(Rs. in lacs)			
	< Month	1 to 4 months	4 to 6 months	> 6 months
<u>Maturity analysis for Non-Derivative Financial liabilities:</u>				
Borrowings*	7,704.99	38,832.31	14,712.90	5,084.01
Interest on Borrowings	23.73	-	-	-
Trade payables	4,822.48	5,155.55	3,044.02	-
<u>Maturity analysis for Derivative Financial liabilities:</u>				
Net settled derivative contracts - Financial Assets	241.40	-	23.65	-
Net settled derivative contracts - Financial Liabilities	222.42	-	80.06	-

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

Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2019:

Contractual undiscounted cash flows	(Rs. in lacs)			
	< Month	1 to 4 months	4 to 6 months	> 6 months
<u>Maturity analysis for Non-Derivative Financial liabilities:</u>				
Borrowings	16,436.54	40,096.43	7,333.80	5,164.48
Interest on Borrowings	23.04	-	-	-
Trade payables	5,342.42	12,746.03	2,039.23	-
<u>Maturity analysis for Derivative Financial liabilities:</u>				
Net settled derivative contracts - Financial Assets	-	-	-	-
Net settled derivative contracts - Financial Liabilities	10.51	-	-	23.79

Market Risk

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

Interest Rate Risk

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

Foreign Exchange Risk

The Company is exposed to foreign exchange risk principally via:

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

Commodity Risk

The Company is exposed to the commodity rate risk due to uncertainties in availability of Gold and silver for its jewellery operations. Forward contracts for Sale of Gold entered into by the Company and outstanding as on 31st March, 2020 covers 3.5 Kgs and for Sale of silver covers 510 Kgs. (For F.Y. 2018-19 it was for Sale of Gold 162 Kgs and for Purchase of Silver - 60 Kgs). Sensivity analysis for commodity risk is not done as it is not material.

Sensitivity analysis

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

Interest Rate Risk

Exposure of borrowings related to interest rate changes:

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Variable rate borrowings		
Rs. Loan from Bank (Rs. in lacs)	487	244
Foreign Currency Loan (\$ in million)	69	79

Interest Rate Risk Sensivity

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

(Rs. in lacs)

IMPACT ON PROFIT & LOSS	31.03.2020	31.03.2019
For \$ Borrowings		
Increase in Interest rate - 50 basis points p.a.	(259)	(272)
Decrease in Interest rate - 50 basis points p.a.	259	272
For Rs. Borrowings		
Increase in Interest rate - 75 basis points p.a.	(4)	(2)
Decrease in Interest rate - 75 basis points p.a.	4	2

Foreign Currency Risk

Following table shows foreign currency exposure in US \$ at the end of the reporting period:

(\$ in million)

PARTICULARS	AS AT MARCH 31, 2020	AS AT MARCH 31, 2019
Financial Assets		
Trade Receivables	59.27	73.58
Cash and Cash Equivalents	0.11	1.23
Derivatives Forward contracts (Net)	83.20	-
Financial Liabilities		
Borrowings	63.52	78.82
Trade payables	18.99	25.76
Derivatives Forward contracts (Net)	-	21.68

Foreign Currency Risk Sensivity

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

(Rs. in lacs)

PARTICULARS	31.03.2020	31.03.2019
USD-INR Increase by 1%	453	(356)
USD-INR decrease by 1%	(453)	356

41. CAPITAL MANAGEMENT

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

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt. The capital gearing ratio as on 31st March, 2020 and 31st March, 2019 was 36 % and 39 %, respectively.

42. COLLATERALS

The Company has obtained working capital loan from banks which are secured as on 31.03.2020 by:

- Fixed deposits - Value Rs. 15,440 lacs
- Hypothecation of Stock in trade and Trade receivables - Value Rs. 1,29,533 lacs.
- Mortgage of premises at Mumbai & Surat - Value Rs. 17,712 lacs.

Defaults

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

43. Net Gain/(loss) on exchange fluctuation as included in total Revenue from Operations & Purchases reflected in the profit & Loss Statement:

- Revenue from Operations - Rs. (22.47) Crores (for F.Y. 2018-19 it was Rs. 17.80 Crores).
- Purchases - Rs. 153.85 Crores (for F.Y. 2018-19 it was Rs. 43.26 Crores).

44.SEGMENT REPORTING

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in the standalone financial statements.

(Rs.in lacs)		
PARTICULARS	2019-2020	2018-2019
1. Segment - Revenue		
- Diamonds	2,62,944.50	3,25,029.11
- Jewellery	65,331.51	59,439.48
- Others	123.48	1,057.88
Total	3,28,399.49	3,85,526.47
Less: Inter Segment Revenue / Transfer	23,496.20	20,851.80
Net Sales / Revenue	3,04,903.29	3,64,674.67
2. Segment Results		
Profit/(Loss) Before Tax and Interest from each segment		
- Diamonds	7,388.48	13,581.13
- Jewellery	2,795.96	2,614.53
- Others	(433.45)	479.61
Total	9,740.99	16,675.27
Less:		
i) Finance Costs	1,965.97	2,638.63
ii) Exceptional Item Gain / (Loss)	(13.58)	(347.08)
iii) Other un - allocable expenses	-	-
Total	1,979.55	2,985.71
Total Profit Before Tax	7,761.43	13,689.56
3. Capital Employed		
- Diamonds	83,173.32	75,725.79
- Jewellery	20,623.76	18,181.26
- Others	12,508.10	13,444.41
Total Capital Employed	1,16,305.18	1,07,351.46

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

45. FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES / ASSOCIATES:

(In lacs)

Particulars	Asian Star Co. Ltd. N.Y.		Asian Star DMCC		Asian Star Trading (Hong Kong) Ltd.		Shah Manufacturers
Reporting Currency	USD		USD		USD		Rs.
	USD	Rs.	USD	Rs.	USD	Rs.	Rs.
Capital	5.00	178.75	0.54	12.01	1.28	57.40	-
Other Equity	3.13	433.98	506.53	38,214.62	7.45	601.14	* 60.15
Total Assets	88.44	6,666.89	594.11	44,787.36	271.03	20,431.60	266.92
Total Liabilities	88.44	6,666.89	594.11	44,787.36	271.03	20,431.60	266.92
Investments	-	-	-	-	-	-	-
Turnover/Total Income	209.09	14,858.48	1,676.52	1,19,138.16	5.90	419.62	4,401.16
Profit Before Taxation	0.16	11.72	44.66	3,174.01	1.22	86.87	5.69
Provision for Taxation	0.06	4.71	-	-	0.04	3.09	1.77
Profit After Taxation	0.10	7.01	44.66	3,174.01	1.18	83.78	3.92
Proposed Dividend	-	-	-	-	-	-	-
Country	U.S.A		U.A.E		Hong Kong		India

* represents credit balance of the partners in the partnership firm

** The above Rs. figures are after adjustments on account of IndAS

46. INVESTMENT PROPERTY

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

Though the Company measures investment property using cost based measurement, the fair value of investment property as on 31.3.17 was Rs. 5,084 lacs. Fair values was determined based on evaluation performed by applying a valuation model by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. However, no significant change in the market value is observed, and management has decided to keep the fair valuation same as of 31.3.17.

47. IMPACT OF COVID-19 (GLOBAL PANDEMIC)

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has considered the possible effects that may result from the global pandemic relating to COVID-19 on the standalone financial statements of the Company. Based on the available internal and external information and its analysis, past experiences and the current estimates the Company impact of COVID-19 is summarized as under:

Sales of the Company's product have been impacted with imposition of lockdown and other restrictions across the world. This has also had its impact on the profitability. In the current uncertain situation it is not possible to gauge the impact with precision. However, with gradual relaxation and unlocking measures being implemented, the business activity is slowly and steadily gathering momentum. Management has done preliminary assessment on the impact of going concern of the entity. The Company resumed production at all its facilities after relaxation in the lockdown restrictions with permitted strength of staff as per the guidelines issued by various State Governments from time to time. Sales, both Exports and domestic, have since resumed. COVID-19 will not have any impact on the going concern of the entity as the risk if any, is well diversified due to its diverse product portfolio and presence across all major global markets.

The financial assets carried at fair value mainly consist of investments in equities and mutual funds, which are already subjected to mark to market provision. The value of these investments has improved significantly since the Balance Sheet date with the improvement in the equity markets. Based on the past experiences and evaluation of the current realizations, the Company does not foresee any impact on other assets including cash and cash equivalents, inventory and receivables.

The Company has considered such an impact to the extent known currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and can best be determined only after reasonable unlock down occurs.

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

As per our report of even date

FOR MAHENDRA DOSHI & ASSOCIATES

Chartered Accountants

FRNo: 105765W

MAHENDRA DOSHI

Proprietor

Membership No. 41316

Place : Mumbai

Dated: July 30, 2020

UDIN : 20041316AAAABG4248

SUJATA NADGOUDA

Company Secretary

Place : Mumbai

Dated: July 30, 2020

For and on behalf of the Board

DINESH T. SHAH

Chairman & CFO

DIN - 00004685

Place : Mumbai

Dated: July 30, 2020

VIPUL P. SHAH

CEO & Managing Director

DIN - 00004746

Place : Mumbai

Dated: July 30, 2020

CORPORATE INFORMATION

as on July 30, 2020

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

Jayantilal D. Parmar
Director

Milind H. Gandhi
Director

Miyar R. Nayak
Director

Neha R. Gada
Director

Company Secretary

Sujata Nadgouda

Subsidiary Companies

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

Asian Star DMCC
Dubai, U.A.E.

Asian Star Trading (Hong Kong) Limited
Hong Kong

Bankers

Indian Bank e-Allahabad Bank

Union Bank of India e-Andhra Bank

Bank of India

Bank of Baroda

Bank of Maharashtra

Canara Bank

Central Bank of India

HDFC Bank

IDBI Bank

Indusind Bank Ltd.

Kotak Mahindra Bank Ltd.

RBL Bank Ltd..

Canara Bank e-Syndicate Bank

State Bank of India

Union Bank of India e-Corporation Bank

Auditors

Mahendra Doshi & Associates
Chartered Accountants

Registrar & Transfer Agents

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

NOTES

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