

Dare. Dream. Drive.



CONTENTS

01 - 05 Celebrating 40 years

06 - 11 About Us

12 - 13 CEO & Managing Director's Message

14 - 15 Board of Directors

16 - 21 Management Discussion and Analysis

22 - 25 Directors' Report

26 - 33 Report on Corporate Governance

34 - 79 Financial Section

80 Corporate Information

FORWARD-LOOKING STATEMENTS

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 realised.

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.



Celebrating 40 sparkling years

Dare. Dream. Drive.

Asian Star started its journey in 1971.

That was 40 years ago. The diamond industry was very different from what it is today, dominated by Israel and Belgium. The Indian diamond industry was still a fledgling, with small home units cutting and polishing rough diamonds with basic hand-operated machines. India was nowhere close to becoming the foremost diamond cutting centre that it is today.

This was when we took our first small but firm steps into a journey that was to be the most fascinating of all journeys - a journey that would take us all over the world flying on the wings of a dream, to courageously dare and overcome obstacles, and untiringly drive our ambition to lead the diamond business.

Most businesses begin with a dream. Ours began with a dare. We dared to see the potential of the diamond business beyond cutting and polishing. We dared to challenge the status quo of existing infrastructure and facilities.

The dare became a dream soon. The dream to go beyond India and beyond rough manufacturing. The dream to create a business that would capture the entire value chain, and touch the consumer directly. The dream to cover the entire distance from 'rough to retail'.

To traverse this distance from rough to retail required a strong and persistent drive. We have driven design, innovation and integration. We have driven globalisation by expanding our marketing presence all over the world. For 40 years, we have driven consistent growth, value and returns for shareholders.

This year, we complete 40 years of this sparkling journey. We call this journey sparkling because sparkling to us is not an adjective but a verb. This is why:

- To us, sparkling has been our philosophy of being ethical, no matter what.
- To us, sparkling has been our ability to keep innovating.
- To us, sparkling has been the strength of our decision to be an integrated player.
- To us, sparkling has been our endeavour to chase sustainable growth through focused investment, not just any growth.

For 40 years, we have delivered sparkling results for our investors and sparkling smiles for our customers!



From rough to retail

1971- 1999

40 years ago, we started like everyone else at the first rung of the value chain – rough manufacturing. Like everyone else, we started small – small unit, manual machines and no modern technology.

But unlike everyone else, we dared to break the mould. We dared to dream, and dream big!

We dared to build a strong foundation in the core activity – cutting and polishing.

We began by building size and scale.

We built bigger and better capacity. We scaled up from basic machines to automated machines with cutting-edge technology in diamond cutting and polishing. We expanded our unit to 65,000 sq. ft. and made it into a world-class facility. We deployed the latest ERP solution packages. We brought in highly skilled personnel. We put in strict and rigorous quality control and acquired international certifications. We developed a strong R & D team and excelled at our 'cut' which is renowned in the industry as the 'Asian Star Make'. We added value through bespoke support services.

We then started building scope.

We ventured out of India into the global market-place. We knew that reaching global customers and building long lasting relationships with them was essential to take us to the next phase of growth. Our global presence started with our marketing arm in Belgium in 1991. We are today present in key diamond hubs of the world through 25 marketing arms and subsidiaries.

In a fragmented industry dominated by small players, we are one of the few companies to crossover to the organised sector by becoming a public limited company in 1996.



2000 onward

The new millennium saw a first glimpse of the emergence of Asian Star as a truly global integrated company in diamond manufacturing, jewellery manufacturing and retailing.

We dared to move up the value chain by starting with a small jewellery manufacturing unit at SEEPZ in Mumbai catering mainly to the international markets.

The beginning of the new millennium also saw India emerging as one of the strongest economies of the world with a growing and prospering middle-class. The potential and promise India offered was huge. In 2004, we started a manufacturing set-up focussed on the growing domestic market.

We finally connected directly with consumers with the launch of SHAGUN Jewels outlet in 2008 at Hyderabad, helping us understand their preferences even better.

In our constant endeavour to move up the value chain, we expanded our jewellery manufacturing capacity by 50% in 2010. We also launched a jewellery manufacturing unit at Hosur in Tamil Nadu. Spread over 5000 sq.ft., this unit specialises in making high-value, hand-crafted couture jewellery.

Today, we are a truly global integrated player with multi-dimensional relationships with customers all over the world.

We have grown from a single small unit to 3 units covering 50,000 sq.ft. We have expertise and skills to cater to international, domestic and regional markets with products that range from mass-produced to hand-crafted and exclusive couture jewellery. We have the best designers and our designs win international awards regularly. We are respected in the industry for consistent quality, short lead-time and innovative approach.



During this 40 year journey, we have won numerous awards and accolades in India and overseas and set many milestones. We are a recognised Four Star Trading House and have regularly been honoured with top awards by Federation of Indian Exporters (FIEO) and the Gems and Jewellery Export Promotion Council (GJEPC) for our performance. We are ISO 9001:2008 certified. Our designs have won many international awards. We have been ranked 303th in Dun & Bradstreet's listing of top 500 Indian companies in 2010.

As we end 40 sparkling years at Asian Star, we have many to thank...

- Our customers, in whose eyes we see the sparkle and smile every time they buy our diamonds or jewellery.
- Our employees, who work relentlessly with integrity, innovation and make sure our business grows.
- Our Board and our investors, who have trusted us, guided us and supported us in our investment and growth objectives.
- Our business partners, who have supported us to achieve leadership position.

And most importantly, to India for giving us the DNA to be the leaders in the diamond business.

There is a lot we can say. But today, at 40, we humbly thank you for trusting us. And we assure you that we will continue to dare, to dream and drive consistent growth.

Thank you and join us in celebrating our 40 sparkling years.

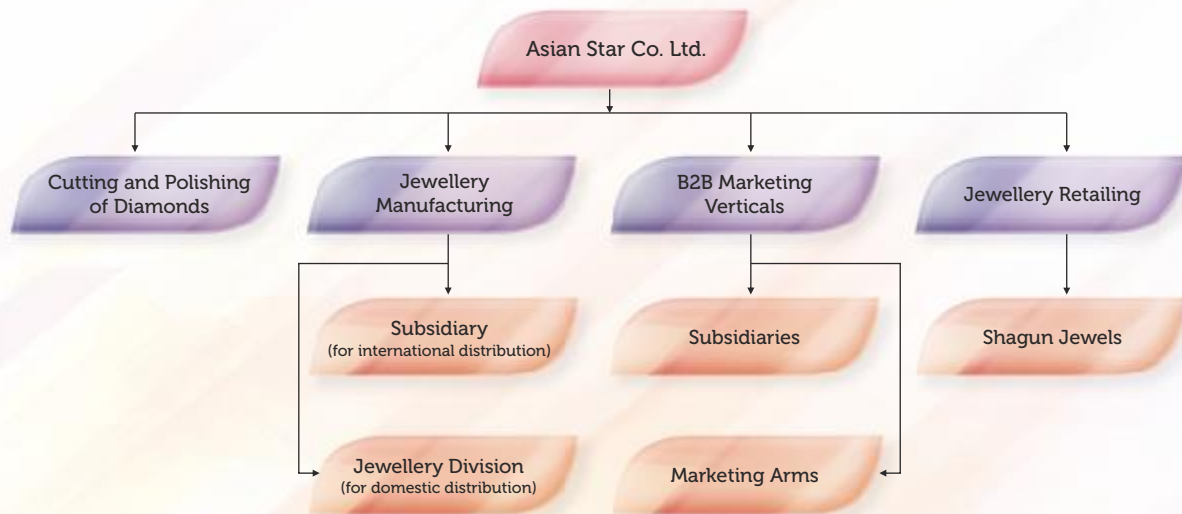




About us

Established as a partnership firm in 1971, Asian Star Company became a public limited company in 1995. Today, it has emerged as one of the largest integrated diamantaires in the world and has its presence across the entire value-chain. The Company has a presence across diamond cutting and polishing, jewellery manufacturing and marketing verticals.





Business Presence

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

Its business portfolio encompasses:

- **Polished Diamonds** - All polished 2 ct. and smaller in fine makes.
- **Jewellery** - Gold and platinum, diamond studded jewellery spanning all categories like Rings, Earrings, Pendants, Bracelets, Bangles, Necklaces etc. for the domestic and international market.
- **Jewellery Retailing** - 'Shagun Jewels', the flagship retail store at Hyderabad catering to urban Indian women.
- **Power** - Windmills in Maharashtra, Kerala and Tamil Nadu.



MUMBAI (Jewellery Manufacturing)

Geographic Presence

Manufacturing Centres

World-class infrastructure at Surat, Mumbai and Hosur, in India for Diamond Processing and Jewellery Manufacturing.

These technologically advanced manufacturing facilities offer the best-in-class infrastructure including Wide Area Network computerisation, on-line manufacturing processes and eco-friendly environment.

Marketing Presence

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

Marketing Arms - A strong global presence with 21 marketing arms spread across the continents of Asia, Europe and America.

Listing

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

As on 31st March, 2011, Asian Star Co. Ltd. had a market capitalisation of Rs. 1,428 crore.



- Manufacturing units
- Subsidiaries
- Marketing arms

People

Total Count
1950 employees

Polished Diamonds
1450 employees

Jewellery
500 employees



Corporate Vision

"To maintain leadership and enjoy sustainable growth in the global diamond industry by riding on our core competencies and to add long-term value to our business through forward integration and alliances."

Core Values

Integrity – To conduct our business fairly, with honesty and transparency and to be totally committed to the highest standards of corporate governance.

Networking – To reach out beyond boundaries and seek opportunities, not just to gain information and ideas, but also to share them with colleagues and partners around the world.

Excellence - To be committed to exceptional standards of performance in the quality of goods and services we provide, and to be willing to embrace new ideas and learn continuously.

Responsibility – To be responsible and sensitive to the countries and communities in which we work, always ensuring high standards of behaviour from employees and group companies.

Unity – To work cohesively with our colleagues across the group and with our customers and partners around the world, building strong relationships based on understanding and mutual co-operation.





Key Strengths

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

We are now present across the entire value-chain; sourcing rough, cutting and polishing diamonds, setting them in jewellery and selling them to other retailers and now through our own brand - Shagun Jewels.

- **Sightholder status with the DTC and access to other primary sources of rough.**

Approximately only 75 diamond manufacturers worldwide are on the DTC Sightholder list. Our excellent performance has secured our place on this list for the current contract term, upto 2012.

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

A strong global presence with 25 marketing arms, including 4 subsidiaries, spread across the continents of Asia, Europe and America.

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

The cut, quality and colour of our polished diamonds is so consistent and superior that our product is known as the 'Asian Star Make' within the trade community.

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

We have 35 members in our design and product development team based in India, USA and Hong Kong whose focus on consumer preferences always keeps us ahead of the race.

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

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

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

We are a young organisation, with an average age of 35 years, ensuring the right blend of experience and enthusiasm.

- **Strong financial base supporting future growth plans.**

Consolidated Financial Performance



Achievements

- Ranked 303th among the corporates in Dun & Bradstreet's 2010 edition of "India's Top 500 Companies".
- Has the prestigious status of being a DTC Sightholder for an extended contract term, upto 2012.
- Won awards at international jewellery design competitions, namely "The Solitaire Design Awards 2010" in the Daily Wear Category.

MUMBAI SHOWROOM



"As we complete 40 years, we look back with satisfaction on our achievements and our transition from a single-dimensional player in diamond cutting and polishing to a global integrated, multi-dimensional business. We feel that this is just the beginning and the best is yet to come."



CEO and Managing Director's MESSAGE

Dear Shareholders,

This year, the Company celebrates 40 sparkling years of a wonderful journey. It is a good time to pause and reflect on the road that we have travelled so far, on the many obstacles we have had to overcome, and the memorable milestones that we have created along this journey. It fills us with confidence, courage and determination. As we face an exciting and promising future, it inspires us to dream bigger, challenges us to dare further, and motivates us to drive faster.

"To accomplish great things, we must dream as well as act"

~ Anatole France

In 2010-11, the Company continued to build on the momentum of the previous year with consistent performance in its business. During the difficult phase that the entire industry had gone through in 2008, we had focused internally by streamlining our internal processes, strengthening our capabilities and competencies. We had invested ahead of the curve by further building our jewellery business. This foresight and resilience paid off in 2010-11. As economic conditions improved and consumer confidence returned, there was a remarkable improvement in demand. We were well-positioned to leverage our integrated value chain and our global presence to reap rich rewards.

During the year, the Company's consolidated turnover increased to Rs. 1,667cr from Rs. 1,467cr in the previous year, registering a rise of 14%. Sustained efforts taken by the Company to improve operational efficiencies like better inventory control, shorter time to market, better resource management, economies of scale and size impacted margins positively. For the year, consolidated profit after tax has gone up to Rs. 38cr from Rs. 30cr during the previous year, equating to a 27% improvement.

We continue to build our strengths at all points of the value-chain as we strive to move ahead to achieving higher margins. We are one of the few entities in the gem and jewellery space to have successfully scaled the entire value chain – from rough to retail.

We have expanded our jewellery manufacturing operations by 50% in Mumbai. We have also started a new jewellery manufacturing unit at Hosur in Tamil Nadu that specialises in high-end, hand-crafted jewellery. Jewellery manufacturing remains a special focus area for the Company. During the year, jewellery business registered an impressive growth of 48%, increasing to Rs. 194cr from Rs. 131cr in the previous year. We are determined to drive the jewellery business aggressively and grow it substantially over the next few years. Accordingly, the Company is investing in the latest manufacturing technologies and enhancing the skills of its designing and product development team to drive innovation at a faster pace. These initiatives are aimed at giving us a competitive edge in a dynamic, fashion-led, diverse industry, which caters to a highly critical, well-informed consumer who has many options available for luxury consumption.

In line with enhancing our global marketing footprint, we are continuously exploring newer, emerging markets. Traditional markets are getting mature whereas newer markets like the countries of the CIS and South-East Asia have a rapidly growing middle-class with increasing spending power and high aspiration levels. These markets present exciting opportunities in growth. The Company continues to enhance its marketing network in terms of location and manpower strength to service its widespread customer base.

We have always maintained a levelled approach to growth. The Company has delivered consistent growth based on stability and resilience to market conditions. The growth has been steady and gradual based on a strong and firm build-up of its core competencies, strengths and capabilities. The Company continues its strategy of pursuing long-term growth and steady strides.

As we complete 40 years, we look back with satisfaction on our achievements and our transition from a single-dimensional player in diamond cutting and polishing to a global integrated, multi-dimensional business. We feel that this is just the beginning and the best is yet to come. These are exciting times and the future holds many promises and possibilities. We are eager to continue our fascinating journey into these exciting, promising times.

As the Company celebrates 40 sparkling years, I would like to express my sincere gratitude to all our customers, shareholders and employees and say a humble 'thank you'. Thank You for your trust and confidence. We assure you, we will continue to drive our dreams and vision to further greatness with absolute daring and confidence.

Thank You.
Best Regards,

Vipul P. Shah
CEO & Managing Director

BOARD OF DIRECTORS



Dinesh T. Shah

Chairman

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



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.



Dharmesh D. Shah

CFO & Jt. Managing Director

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



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

The youngest Executive Director of Asian Star Co. Ltd., at 30 years, Mr. Priyanshu Shah heads the thriving jewellery operations of the Company. He currently manages the production and marketing functions for export as well as the domestic jewellery operations. His vast knowledge on the latest jewellery trends worldwide and his creative inputs have resulted in the launch of several successful collections and innovative designs.



Bhupendra K. Shroff

Director

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



K. Mohanram Pai

Director

Mr. K. Mohanram Pai is B.A. and C.A.I.I.B. He possesses a 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.



Apurva R. Shah

Director

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



Hasmukh B. Gandhi

Director

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



Milind H. Gandhi

Director

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



Management Discussion & Analysis

GLOBAL ECONOMIC SCENARIO

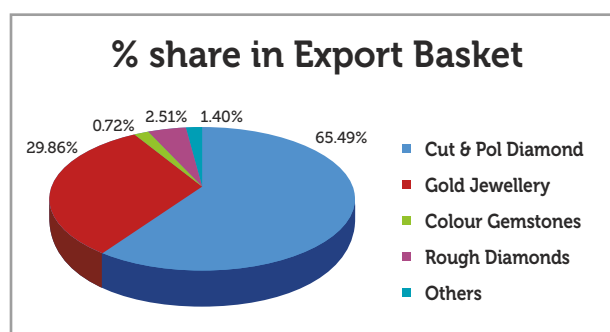
There was a remarkable improvement in the overall global economic scenario as the world continued on a path to regain economic stability, reducing the fears of double-dip recession that some had forecast in 2009. The IMF, in its World Economic Outlook estimates that the global economy grew by 4.2% in 2010, higher than what was forecast in the previous year. The recovery was aided by the continuation of stimulus measures adopted by developed as well as emerging economies. Increased liquidity in the developed economies impacted sentiments and boosted consumption as well as investments. Emerging markets continued to grow on the back of domestic consumption and improved export demand.

The momentum of growth has clearly shifted to emerging economies, particularly east and south Asia where China and India continue to lead. India maintained its growth momentum on the foundation of relatively strong fundamentals of the economy. Strong domestic consumption and buoyant exports enabled Indian GDP to grow around 8.5 % during 2010-11. However, the economic crisis of Greece and the turmoil in Middle East and North African region continues to be a concern for the global economy. Also, inflation has emerged as a new global economic challenge driven by substantial rise in the prices of almost all commodities, impacting almost all the sectors.

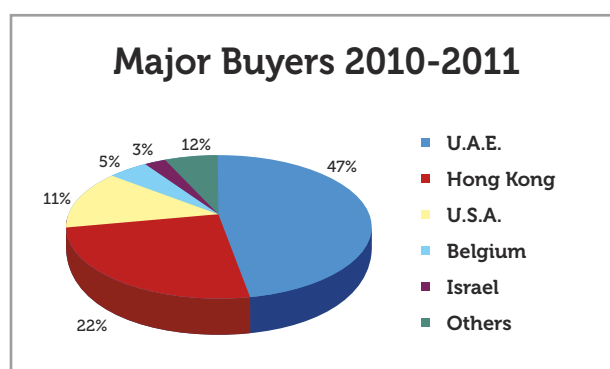
INDUSTRY OVERVIEW

The global Gems and Jewellery (G & J) Industry has undergone a significant transformation. Traditional African countries that were predominantly into mining have now moved up the value chain by increasing their share in diamond processing and marketing. China is fast emerging as one of the biggest markets for both gold jewellery as well as diamond jewellery. India continues to be the largest consumer of gold. India is also the third largest consumer of polished diamonds, besides being the largest diamond cutting and polishing centre in the world, accounting for 90% of the world's share by pieces. Domestic demand in India is growing rapidly backed by rise in disposable income, overall improved confidence in the economy and change in perception of gold and Jewellery from an investment option to a fashion statement. The US market, which is the world's largest market, is also showing signs of steady recovery. India's exports to the US increased by about 50% during the year.

The G & J Industry has traditionally been a leading foreign exchange earner for the country, accounting for over 16% of total foreign exchange earned this year. According to The Gems and Jewellery Export Promotion Council (GJEPC), the total gems and jewellery exports during the year 2010-11 increased to US \$ 43.14 billion from US \$ 29.36 billion in 2009-10, signifying an increase of 47%. In terms of the export basket, cut and polished diamonds continued to account for over 65% of the total basket, followed by gold jewellery.



In terms of geographical markets, the UAE emerged as the biggest market for Indian G & J, accounting for more than 47% of total exports, followed by Hong Kong at 22% and the USA at 11% of the total value of exports.



Polished Diamond

The highest growth in the industry came from the cut and polished segment. Exports of cut and polished diamonds during the year grew from US \$ 18.24 billion in 2009-10 to US \$ 28.25 billion in 2010-11, registering a growth of 55%. India continues to be the leading diamond processor in the world accounting for nearly 90% of world's share in terms of pieces, over 80% in terms of carats and 55 % in terms of value. With a legacy of many years' leadership, workers have a unique combination of skills and experience that is one of the best in the world. When combined with a cost-advantage, India provides the best solution in diamond processing in terms of quality, cost and timeline that is

hard to beat. With the advent of technology, old cutting and polishing wheels are replaced by hi-tech cutting and polishing machines. Today, India is not only known for its proficiencies in processing the smallest diamond but is also known for the largest fancy shapes.

Diamond Jewellery

The diamond jewellery segment has been witnessing steady growth over the last few years. The segment grew at the rate of 30% during the year, with a forecast of 20% growth for the year 2011-12. (Source GJEPC). Traditionally, India has been recognised as the largest diamond polishing centre of the world. Since the past few years there is a growing acceptability of Indian Jewellery on the global front. India is gaining prominence as a sourcing destination for high quality designer jewellery.

The key drivers for growth in the domestic market are increasing disposable income, conscious marketing efforts and a growing youth population with the urge to spend on jewellery. In India, a visible shift is seen in consumers' perception in the last couple of years. Inherent gold consumers in India have gradually started diversifying a part of their investment to the diamond jewellery segment. Diamond studded platinum jewellery has been the latest fashion trend globally and this trend is fast catching in India. According to the Platinum Guild International (India), the total number of outlets selling platinum jewellery in India increased from 12 in 2001 to over 300 in 2010. By 2015, this number is estimated to increase to over 1000. Branding is another trend that is shaping the Indian jewellery market. Research expects organised retail to grow, with the change in buying preference of the increasing young population for whom quality, reliability and style of jewellery are becoming important.

BUSINESS OVERVIEW

This year Asian Star celebrates 40 successful years in the industry. Asian Star Company Limited is one of the world's leading diamantaires and a Diamond Trading Company Sightholder. The Company is fully integrated with presence across the value chain – from rough processing to jewellery retailing.

Manufacturing facility for polished diamonds

The Company has state of the art manufacturing set-up in Surat – the world's largest centre for diamond polishing. Spread over 65,000 sq. ft., this unit is operated by over 1300 experienced and skilled workers ensuring the finest finish of polished diamonds. This

unit has capacity to cater to international standards in terms of cost efficiency, quality and lead-time that is comparable to the best in the industry. 40 years of diamond cutting experience means that its production team is uniquely qualified to manage the complexity of diamond cutting and produce a range of polished diamonds in various shapes, sizes, colours and purity.

Manufacturing facility for jewellery

Jewellery manufacturing has become the focus area for the Company. The Company has two jewellery manufacturing units catering to domestic market and one unit dedicated for international market. These units located in Mumbai and Hosur are spread over 50000 sq.ft. employing over 500 highly skilled employees. Its design and product development team is focused on consumer preferences and develops jewellery to meet the changing trends in domestic and international markets and always keeps the Company ahead of the race. The Company today has expertise and capacity to cater to international, domestic and regional markets with a product range from mass produced jewellery to exclusive couture jewellery.

Distribution

The Company has a strong distribution network spread across the globe with 21 marketing arms and 4 subsidiaries that includes the recently set-up wholly owned subsidiary in Hong Kong to further strengthen its position in promising South East-Asian market.

Retail

The Company completed the last leg of the value chain by venturing into jewellery retailing under its own brand name Shagun Jewels, by setting up a retail store in Hyderabad in 2008. The brand believes in the supremacy of innovation and contemporary designs and targets the modern Indian women with deep-rooted traditional values. The Company has also started ex-factory couture boutique at Mumbai to cater to HNI customers directly.

FINANCIAL OVERVIEW

The Company continued its momentum of growth and delivered consistent results during the year. The turnover of the Company at Rs.1,455.06 crores, scaled a new peak during FY 10-11 registering a growth of 8.4% over previous year. With sustained focus and improved business efficiencies, the Company's profit after tax excluding other income has increased by

23.44% to Rs.26.22 crores from Rs.21.24 crores in previous year. With this sound performance, company's reserves have increased to Rs.357 crores with book value at Rs.345 per share.

OPPORTUNITIES

South-East Asian Markets

In the past few years South-East Asian countries have emerged as fast growing markets led by China and Hong Kong. During the year, Hong Kong emerged as the second largest buyer of gems and jewellery from India, accounting for 22% of total exports. China is also emerging as one of the leading buyers in gold and diamond jewellery on the back of rapid growth and changes in consumer lifestyles. With the economy in South-East Asian countries expected to grow in the range of 7% - 9%, this market offers tremendous opportunity for the Indian G & J industry

The US market

The US continues to be the world's biggest market for diamond jewellery and accounted for 11% of total gems and jewellery exported from India in 2010-11. The US economy has become more stable during the year and demand is steadily picking up. The festive season of 2010 saw one of the strongest consumer spending in the recent years. All this augurs extremely well for the Indian G & J Industry as there is bound to be a surge in demand, especially in the diamond jewellery segment.

The Indian Market

The biggest opportunity, however, is expected to come from within the country. The Indian economy is expected to grow at around 9% and the domestic G & J Industry is expected to grow at a Compounded Annual Growth Rate (CAGR) of 13% for the period 2011-13 (as per GJEPC). Rural Indian market is expected to witness a high level of growth in the coming years. On the back of good successive monsoons, agriculture has been doing well as a sector leading to a sustained rise in spending power. With the increasing influence of television and the internet, rural consumers are becoming more aware of fashion and jewellery trends.

Another interesting trend in the Indian jewellery market is the transition from gold jewellery to diamond jewellery. Another segment that is expected to become increasingly popular is the high-end couture/ensemble jewellery segment. This caters to niche and special occasions like weddings where the jewellery is designed to complement the bridal dress and trousseau, requiring a high level of

customisation. Although at a nascent stage, this segment is expected to grow and pick up pace fast.

THREATS

Skill Retention

Craftsmen, artisans, and skilled diamond-cutters and polishers are crucial to the industry and its sustained well-being. The skills are passed on from one generation to the next. With rapid urbanisation and increased availability of alternate careers, retention of talent is an issue that needs to be addressed by the industry. Non-availability of skilled workers could hamper the growth of the industry. With China making huge strides in diamond processing, unless the skill-sets are upgraded and retained, India will start to lose its natural advantage.

Fragmentation

Although India is the leading cutting and polishing centre, 80% of the entire G & J Industry is still in the un-organised sector leading to wide fragmentation. This makes adoption and implementation of standardisation difficult, especially in areas like training and work processes. Fragmentation also hampers the drive to up the value chain. In the past few years, China has emerged as a major rival with advantages of cheap and organised labour, sophisticated and cost effective technology and government backing.

Supply Constraints

For rough supply the industry is heavily dependent on the existing mines. There have been no major discoveries and existing mines are under pressure due to depleting resources. Further, due to the local beneficiation programmes in most of the diamond mining countries in Africa, a substantial portion of the rough supply is retained for domestic cutting and polishing industry. Inventory of rough diamonds continue to be low and shortfalls will have an adverse impact on the industry.

Increasing Prices

Growing prices of gold and diamonds has resulted in a steep rise in jewellery prices, having a negative impact on consumer preference for jewellery. With restraint on the budget, the consumers are moving towards other luxury items such as watches, electronic gadgets, cosmetics, fashion accessories etc.

Lack of Branding and Brand building initiatives

Branding and brand building continue to be an issue. Unless there is a concerted effort by the Indian industry to consciously invest in and drive brand building, margins will continue to remain low. Though some

efforts have been made over the last few years, there is still a lot of scope to build a G & J brand that can compete with other luxury brands and that would enhance value for the entire industry.

FUTURE OUTLOOK

The G & J industry is heading towards a promising future. With an extremely good year in 2010, the industry is very positive and hopeful to build on recent revival and upswing in overall economic sentiment. According to a FICCI report, the G & J industry in India is expected to grow to US \$ 100 billion by the year 2015. The domestic Indian market is also expected to swell to US \$ 35 – 40 billion by 2015, growing at a CAGR of 13%.

Emerging trends like hand-crafted, couture and ensemble jewellery, though still in a nascent stage, are fast becoming popular. Growing desire and aspiration for diamond jewellery among the Indian customers, particularly those in the age bracket of 20-40 year and with high disposable incomes, augurs well for the G & J Industry.

The demand for gold has not been affected in spite of a steep rise in prices, which goes on to demonstrate that demand in India is still driven by investment and tradition factor. Consumer confidence has increased with the government's initiative of Hallmarking and Certification. Hallmarking under Bureau of Indian Standards (BIS) protects consumers from adulteration of precious metal. With such consumer-centric initiatives from the government, demand for gold and gold jewellery is set to maintain its strong momentum of growth.

Though the overall outlook for the industry is positive, the sovereign crisis in Greece, natural disaster in Japan and political upheavals in the Middle East may have its negative impact on the global economic environment.

RISK MANAGEMENT

Supply Constraints

Supply of rough diamonds is still heavily dominated by African countries. Most of these countries like South Africa, Botswana and Namibia aspiring to climb up the value-chain have started retaining part of rough diamonds for cutting and polishing themselves thereby reducing the supply of rough diamonds to be processed in other polishing centres. This combined with declining mineral reserve base and a continued lack of major new discoveries, continue to hamper the prospects of improving the supply of rough.

Asian Star is a DTC Sightholder and is assured of consistent supply of rough at competitive prices for the current contract term, up to 2012. The Company also has tie-ups with various other sources to meet its requirements.

Cost and Skill Advantage

India has been enjoying a twin advantage in diamond cutting and polishing - low costs and easily available high-skilled labour. However, with many mining countries in Africa now moving up the value chain by offering cutting and polishing services, as well as direct marketing of their own diamonds, the diamond industry in general in India could see its traditional advantage being reduced.

Asian Star has suitably addressed this risk by investing in an integrated value chain which offers customers comprehensive and total solutions. With proven expertise and experience in cutting and polishing combined with the advantage of in-house jewellery manufacturing, and marketing arms in all major markets, the Company no longer destine itself solely on the price factor.

Maturity of US and European Markets

The markets of Europe, the UK and the US have been hotspots for Indian G & J Industry. In the last few years, these countries are facing adverse economic conditions. Demand has significantly come down. This may lead to a downward spiral in prices as suppliers try to retain their market-share by inducing price cuts, which will lead to margins coming under pressure. Also, since these markets were 'volume' markets, there is a chance that in the short-run and till demand recovers in these markets, there will be a situation of over-supply.

The Company with its focused effort to de-risk the business, started moving away from the US and Europe to other upcoming markets like BRIC countries, the CIS, Middle East and Asia Pacific region. These countries have shown a promising rise in demand in the last few years. With overall improvement in the economy and rising disposable incomes, these countries are proving to be the new demand drivers.

Competition

Considering the huge potential, more and more players are entering the G & J Industry. While this does add to the overall competitive pressures, Asian Star is a company that has the unique advantages of experience and trust, skills and scale, and domestic

and international presence. Further, the Company has invested heavily in R&D and new product development. As such, the Company believes it has sufficient scale, size, experience and reputation to withstand the threat of competition.

Foreign Exchange Risks

The Industry has large exposure to foreign currency fluctuations both in respect of export and import transactions. The import-centric nature of the trade acts as a natural hedge against the currency fluctuation. Asian Star has a conservative policy in this regards, and all open interest in foreign currency is hedged by booking forward contracts to ensure that the Company is insulated against fluctuation risks. This is closely monitored and controlled by experienced and professional personnel.

INTERNAL CONTROLS AND SYSTEMS

Effective governance consists of competent management; implementation of standard policies and processes; adequate internal controls and internal checks; effective risk monitoring and management information systems.

The Company has a sound system of Internal Controls for financial reporting of various transactions, efficiency of operations and compliance with relevant laws and regulations, commensurate with its size and nature of business. The Company has a well-defined system of management reporting and periodic review of businesses to ensure timely decision- making. These internal control procedures ensure the following:

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

The Management Information System (MIS) forms an integral part of Company's control mechanism. All operating parameters are monitored and controlled, with material deviations from the annual planning and budgeting and business outlook including capital expenditure reported to the Board on quarterly basis. Reports of Internal Auditors are reviewed by the Audit Committee, and corrective measures are carried out towards further improvement in systems and procedures and compliance with Internal Control System. The Board also recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

HUMAN RESOURCES

The Company considers Human resource as one of the most important resources and acknowledges that it is one of the vital driving forces for its achievements over the years. The Company takes utmost care to nurture its human resource and ensure that their health, safety and well-being remain a top priority. The Company provides most hygienic, safe and environment friendly working conditions. The Company has a strong set of values which is instilled in its employees. The Company has various training and development programmes that focuses on the development of the employees skills at all levels. The human resource function ensures creating a working culture where all the employees take a shared responsibility in achieving the Company's goals.

Directors' Report

DIRECTORS' REPORT

To the members,
ASIAN STAR COMPANY LIMITED
 MUMBAI

Your Directors take pleasure in presenting the Seventeenth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2011.

Financial Performance

The performance of the Company for the financial year ended March 31, 2011 is summarized below:

(Rs. in Crores)		
Particulars	March 31, 2011	March 31, 2010
Total Sales	1455.92	1342.12
Add : Other Income	(0.86)	7.31
Total Income	1455.06	1349.43
Less : Total Expenditure	1392.85	1281.15
Operating Profit (PBDIT)	62.21	68.28
Less : Interest and Depreciation	24.53	31.28
Profit before Tax	37.68	37.00
Provision for Tax	11.79	6.76
Provision for Deferred Tax	0.53	1.68
Profit after Tax	25.36	28.56
Less : Prior Year Expenses	0.01	0.44
Add : Balance in Profit and Loss Account Brought forward	156.55	141.29
Profit available for appropriation	181.90	169.41
Appropriation		
Dividend on Preference Shares	-	0.46
Proposed Dividend on Equity Shares	2.13	2.13
Tax on Dividend	0.35	0.43
Transfer to Capital Redemption Reserve	-	7.84
Transferred to General Reserve	2.00	2.00
Balance Carried forward to Balance Sheet	177.42	156.55
	181.90	169.41

The Company has maintained steady growth during the year and its turnover scaled a new peak. The Company has generated an all-time high sales of Rs 1,455.92 Crores registering a growth of 8.48% during the year as against that of Rs 1,342.12 Crores in the previous year. The profit after tax excluding other income has increased by 23.44% from Rs. 21.24 Crores to Rs. 26.22 Crores.

Dividend

The Board of Directors have recommended a dividend of Rs.2/- per Equity Share on 10,671,200 Equity Shares of Rs.10/- each for the financial year ended March 31, 2011. Equity Dividend if approved at the Annual General Meeting will be paid to those members whose name appear on the Register of Members as at the end of business hours on September 22, 2011.

Subsidiary Companies

The Company has recently incorporated a new wholly owned subsidiary in the name of Asian Star Trading (HongKong) Limited in HongKong to expand the Company's business in that region. However, the Company has not commenced its operations so far.

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

Wind Energy

As a part of its social commitments and endeavour 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 2010-11, the Company has generated 220.80 lacs Kwh. resulting in the sales of Rs.693.89 lacs.

Directors

Arvind T. Shah, Dharmesh D. Shah and Bhupendra K. Shroff retire by rotation and being eligible, offer themselves for reappointment.

Attention of the members is invited to the relevant items in Notice of Annual General Meeting.

Finance

The Company is availing working capital requirements from consortium of bankers. The Company has also availed term loan from banks for windmill projects.

Deposit

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975. There are no deposits which are outstanding and/or which are claimed and not paid or unclaimed for which information is required to be given in the report.

Insurance

The properties and assets of the Company are adequately insured.

Consolidated Financial Statement

In accordance with the Accounting Standard 21, issued by The Institute of Chartered Accountants of India, the Directors have attached the Audited Consolidated Financial Statements for the year ended March 31, 2011.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, a report on Corporate Governance, along with the Auditors' certificate regarding compliance of conditions of Corporate Governance and Management Discussion and Analysis is separately given in this Report.

Cash Flow

In conformity with the provision of Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended March 31, 2011 is annexed hereto.

Notes on Accounts

Notes forming part of Accounts are self-explanatory.

Listing Arrangements

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited. The Company has paid listing fees for the year 2011-12.

Dematerialization of Shares

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

Auditors

V. A. Parikh & Associates, Chartered Accountants, the retiring Auditors of the Company, hold office up to the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from the said firm to the effect that their appointment, if made, at Annual General Meeting would be within the limits mentioned under Section 224 (1B) of the Companies Act, 1956. The Directors recommend the re-appointment of V. A. Parikh & Associates as auditors for the financial year 2011-2012.

Directors' Responsibility Statement

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

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the Profit and Loss Account of the Company for the year ended on that date;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the annual accounts of the Company on a going concern basis.
- The Company has received certificate under section 274(1)(g) of the Companies Act, 1956 and none of the Directors are disqualified to act as Director.

Particulars of Employees

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

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

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

The Company has earned Rs. 1,06,601.23 lacs in foreign exchange by way of exports and has spent Rs.59,819.58 lacs in foreign exchange, for the imports of materials & consumables, foreign travel, diamond grading charges and repairs and maintenance. The Directors are making their best endeavours to earn foreign exchange.

Appreciation

The Directors thank the Company's Customers, Contractors, Shareholders, Bankers, Financial Institutions and Central & State Governments for their consistent support to the Company. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

Place : Mumbai
Dated : May 30, 2011

For and on behalf of the Board

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

Dinesh T. Shah
Chairman

Vipul P. Shah
CEO & Managing Director



Report on Corporate Governance

REPORT ON CORPORATE GOVERNANCE

I Company's Philosophy

The Company believes that good corporate governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the Company and help the Company achieve its goal of maximizing value for all its shareholders. The Company has complied with the requirements of the revised guidelines on corporate governance stipulated under clause 49 of the Listing Agreement with the BSE. With the adoption of a Code of Conduct for Board of Directors and Senior Management Personnel and the implementation of a Whistle Blower Policy, the Company has moved further in its pursuit of excellence in corporate governance.

II Board of Directors

(a) The Company has 10 directors on the Board. The Company has a Promoter Non-Executive Chairman and 5 Independent Directors i.e. half of the total number of Directors on its Board. Composition of the Board of Directors includes 4 Executive Directors and 6 Non-Executive Directors. Board has also formed the Committees as mentioned herein below in terms of Clause 49 of the Listing Agreement. None of the Directors is a member on the Board Committees of more than ten Companies or acting as Chairman of more than five Companies in which he is a Director.

During the year 2010-11, the Board of Directors met 5 times (30.04.2010, 26.05.2010, 13.08.2010, 12.11.2010, and 12.02.2011) with clearly defined agenda of the meetings sent in advance with suitable notes to the Directors.

The Board has agreed that Executive Directors of the Company are responsible for the day-to-day affairs of the Company. The details of the Directors on the Board of your Company for the year 2010-11 are given below:

Name	Category	Board Meetings attended	Last AGM attendance	No. of outside directorship held in public companies	No. of Board Committee# of which he is a member	No. of Board Committee# of which he is a Chairman
				Other than Asian Star Company Limited		
Dinesh T. Shah	Promoter Non Executive Chairman	5	Yes	-	-	-
Arvind T. Shah	Promoter Executive Director	5	Yes	-	-	-
Dharmesh D. Shah	Promoter Executive Director	5	No	-	-	-
Vipul P. Shah	Promoter Executive Director	5	Yes	-	-	-
Priyanshu A. Shah	Promoter Executive Director	5	No	-	-	-
K. Mohanram Pai	Independent Non Executive Director	4	No	1	-	-
Bhupendra K. Shroff	Independent Non Executive Director	4	Yes	2	1	2*
Apurva R. Shah	Independent Non Executive Director	5	Yes	6	5	1
Hasmukh B. Gandhi	Independent Non Executive Director	4	Yes	2	-	-
Milind H. Gandhi	Independent Non Executive Director	4	Yes	-	-	-

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

* Apurva R. Shah is Alternative Chairman of Audit Committee of Steel Cast Limited.

(b) Non-Executive Directors are paid sitting fees for attending the Board Meetings or Committee Meetings. Non-Executive Directors are not paid any commission. None of the Non-Executive Directors has any material financial interest in the Company.

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

III Audit Committee

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

Name	Designation	Category	Committee Meetings Attendance
Bhupendra K. Shroff	Chairman	Non-Executive Independent Director	4
Apurva R. Shah	Member	Non-Executive Independent Director	5
K. Mohanram Pai	Member	Non-Executive Independent Director	4

During the year 2010-11, the Audit Committee met 5 times (30.04.2010, 26.05.2010, 13.08.2010, 12.11.2010, and 12.02.2011) with clearly defined agenda of the meetings.

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

The previous Annual General Meeting of the Company was held on September 21, 2010 and Bhupendra K. Shroff, the Chairman of the Audit Committee, attended the said meeting.

IV Remuneration Committee (non-mandatory)

The following are the committee members:

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

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

The details of actual payments made during the financial year 2010-11 to the Executive Directors of the Company are given below:

(Rs. In lacs)

Name	Designation	Gross Salary
Vipul P. Shah	CEO & Managing Director	25
Dharmesh D. Shah	CFO & Jt. Managing Director	25
Arvind T. Shah	Executive Director	25
Priyanshu A. Shah	Executive Director	12

V Shareholders Committee

The following are the committee members:

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

The committee reviews redressing of shareholders complaints like non-receipt of Balance Sheet, non-receipt of declared dividend, etc. The committee also reviews the functioning & activities of Registrar & Transfer Agent & related investor grievances. The Company obtained & filed with BSE, Secretarial Audit Report from a Practicing Company Secretary as required under SEBI for each quarter as to reconciliation of total shares held in depository & physical form.

No. of queries/complaints	Received	Redressed	Unresolved
Letters from shareholders	Nil	Nil	Nil

Company Secretary & Address for Correspondence

Name & Designation	Telephone No.	Email ID	Fax No.
Sangeetha Sheshadri, Company Secretary	+ 9122 2282 1886	secretarial@asianstarco.com	+ 9122 2204 3747

VI Corporate Governance Committee

The following are the committee members:

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

The Committee looks after the due compliance with the Corporate Governance norms. All Board members and the members of Senior Management Personnel have complied with the Code of Conduct for Board of Directors and Prevention of Insider Trading Code.

The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of corporate governance as stipulated in clause 49 of the Listing Agreement of the BSE and the same has been annexed to Directors' Report.

VII Finance Committee

The members of Finance Committee met 9 times (26.04.2010, 28.05.2010, 28.07.2010, 20.08.2010, 24.09.2010, 15.11.2010, 20.01.2011, 16.02.2011 & 14.03.2011). This committee meets regularly to decide on matters pertaining to banking, finance and working capital requirements. The following are the committee members:

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

VIII General Body Meetings

- i) Annual General Meeting to be held on

Date : September 29, 2011

Time : 4.00 p.m.

Venue : Sangam Hall, Agarwal Bhavan, 100-C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai - 400 002

Book Closure Date : September 23, 2011 to September 29, 2011 (Both the days inclusive)

Dividend Date : If approved at Annual General Meeting, will be paid on or after September 29, 2011

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

Year	Venue	Date	Time
2007-08	Garware Club, Mumbai	September 04, 2008	4.00 pm
2008-09	Sangam Hall, Mumbai	September 29, 2009	4.00 pm
2009-10	Sangam Hall, Mumbai	September 21, 2010	4.00 pm

- iii) Whether any special resolutions passed in the previous 3 AGMs? Yes

- iv) Whether special resolutions were put through postal ballot last year? No

IX Disclosures

- i) All materially significant related party transactions are detailed out in note no.4 of Schedule 'L' attached to the Balance Sheet.

- ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Bombay Stock Exchange Limited or SEBI or any statutory authority, on any matter related to capital markets, during the last three years? - None.

- iii) The Company has formulated a mechanism for employees to report about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company Secretary and Audit Committee acts upon any reporting under Whistle Blower Policy.

X Means of Communication

Quarterly results are taken on record by the Board of Directors and submitted to the Bombay Stock Exchange Limited in terms of the requirements of Clause 41 of the Listing Agreement. Quarterly results are published in The Financial Express and Dainik Mumbai Lakshadeep. The results of the Company are also posted on the Company's website at www.asianstarco.com and SEBI website.

XI Green Initiative in Corporate Governance

Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notice, documents and other communications from the Company through electronic mode, can register their e-mail addresses with the Company.

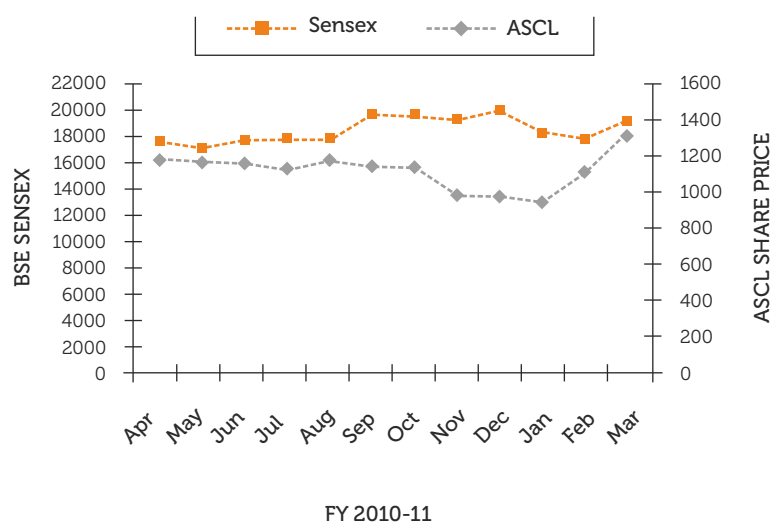
The Company encourages its shareholders to join the green initiative and register their e-mail address with the Company or its Registrar and Transfer agents by sending a letter signed by them and intimate changes in the e-mail ids from time to time.

XII General Shareholder Information

Sr. No.	Information	
1.	Annual General Meeting - Date and Time: - Venue:	September 29, 2011 at 4.00 p.m. Sangam Hall, Agarwal Bhavan, 100-C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai - 400 002.
2.	Financial Calendar - First quarter - Second quarter/Half year - Third quarter - Audited Annual Results	(Tentative Schedule) Second week of August, 2011 Second week of November, 2011 Second week of February, 2012 Second week of May, 2012
3.	Book Closure Date (Both days inclusive)	September 23, 2011 to September 29, 2011
4.	Dividend Payment Date	Dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within prescribed time, subject to deduction of tax, if any.
5.	Listing on Stock Exchange at :	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023
6.	Stock Code	ASAN.BO/531847 Bombay Stock Exchange Limited

7. 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' 10	17,558.71	1,169.95
May' 10	16,944.63	1,150.00
Jun' 10	17,700.90	1,138.80
Jul' 10	17,868.29	1,104.00
Aug' 10	17,971.12	1,156.40
Sep' 10	20,069.12	1,122.00
Oct' 10	20,032.34	1,116.85
Nov' 10	19,521.25	929.00
Dec' 10	20,509.09	918.85
Jan' 11	18,327.76	885.00
Feb' 11	17,823.40	1,073.00
Mar' 11	19,445.22	1,338.55

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' 10	1,275.00	1,037.00	Oct' 10	1,200.00	1,000.00
May' 10	1,350.00	1,040.00	Nov' 10	1,174.50	853.00
June' 10	1,325.00	1,090.00	Dec' 10	980.00	801.00
July' 10	1,295.00	1,061.00	Jan' 11	988.80	882.00
Aug' 10	1,245.00	955.65	Feb' 11	1,178.00	787.00
Sep' 10	1,223.05	1,106.00	Mar' 11	1,419.95	867.00

8. Registrar & Share Transfer Agents:

Bigshare Services Pvt. Ltd.
E-2/3 Ansa Indl. Estate, Saki Vihar Road,
Saki Naka, Andheri (East), Mumbai 400 072. Tel : 40430200 Fax : 2847 5207

9. Share Transfer System:

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

10. Distribution of equity shareholding as on March 31, 2011 :

No. of shares		No. of share holders	% of Total share holders	No. of shares	% of Total shares
1	500	461	95.45	14,794	0.14
501	1,000	4	0.83	3,261	0.03
1,001	2,000	1	0.21	1,357	0.01
2,001	3,000	0	0.00	0	0.00
3,001	4,000	0	0.00	0	0.00
4,001	5,000	1	0.20	4,700	0.04
5,001	10,000	0	0.00	0	0.00
10,001	10,001 & above	16	3.31	10,647,088	99.78
Total		483	100.00	10,671,200	100.00

11. Categories of equity shareholding as on March 31, 2011:

Category	No. of Folios	No. of shares held	% of total shares held
Indian promoters	9	80,00,000	74.97
Body Corporate	38	1,735,145	16.26
Indian Public	419	21,984	0.21
NRI & OCB's	5	436,993	4.09
FII's	0	0	0.00
Clearing Member	11	319	0.00
Insurance Companies	1	476,759	4.47
Total	483	10,671,200	100.00

12. Dematerialisation of Shares and Liquidity: 10,667,898 equity shares i.e. 99.97 % of equity shares have been dematerialized upto March 31, 2011.

13. Manufacturing Facilities :

Cut & Polished Diamonds

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

Diamond Studded Jewellery

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

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

Wind Energy

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

14. Members can contact us at our registered office:

Asian Star Company Limited
114-C, Mittal Court,
Nariman Point, Mumbai 400 021.
Email: secretarial@asianstarco.com
Tel.: +91 22- 2282 1886
Fax: +91 22- 2204 3747

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

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

In accordance with Clause 49 sub clause I (D) of the Listing Agreement with the Bombay Stock Exchange Limited, I confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Company's Code of Conduct, as applicable to them for the Financial Year ended March 31, 2011.

FOR ASIAN STAR COMPANY LIMITED

Place : Mumbai
Date : May 30, 2011

VIPUL P. SHAH
CEO & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,
Asian Star Company Limited,

We have examined the compliance of conditions of Corporate Governance by Asian Star Company Limited, for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd.

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

In our opinion and to the best of our information and according to explanations given to us, and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

For V. A. Parikh & Associates
Chartered Accountants

Place : Mumbai
Date : May 30, 2011

Jinesh J. Shah
Partner
Membership No. 111155



Financial Section

AUDITOR'S REPORT

To,

The Members of Asian Star Company Limited

1. We have audited the attached Balance Sheet of ASIAN STAR COMPANY LIMITED as at 31st March, 2011, Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the order '), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in the sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 of Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2011 ;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FR No. 112787W

Place : Mumbai
Date : May 30, 2011

JINESH J. SHAH
Partner
Membership No. 111155

ANNEXURE TO AUDITORS' REPORT

Re: Asian Star Company Limited

Referred to in paragraph 3 of our report of even date:

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all the assets have been physically verified by the Management at the end of the accounting year and no material discrepancies were noticed on physical verification as compared to the book records.
 - c) The assets disposed off during the year are not significant and therefore do not affect the going concern assumption.
2.
 - a) The stocks of finished goods and raw materials have been physically verified by the management at the end of the accounting year.
 - b) In our opinion, and according to the information and explanations given to us, the procedures of physical verifications of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification as compared to the book records.
3.
 - a) The Company has granted loans to one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs. 1,321.41 Lacs and the year end balance was Rs. 521.41 Lacs.
 - b) These loans are unsecured, interest free and unconditional.
 - c) The principal amounts are repayable on demand and there is no repayment schedule.
 - d) There is no overdue amount. In view of this sub clause (d) of this clause is not applicable.
 - e) The Company has not taken any loan (secured or unsecured) from companies, firms or other parties covered in the register maintained under Section 301 of the Act excepting unsecured loan from five of its Directors. The maximum amount involved during the year was Rs. 4,854 Lacs and the year end balance of loans taken was Rs. 4,524 Lacs
 - f) These loans are unsecured, interest free and unconditional.
 - g) The principal amounts are repayable on demand and there is no repayment schedule.
4. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and also for sale of goods and services. During the course of our audit, no major weaknesses were noticed in the internal control system.
5.
 - a) In our opinion and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under Section 301 have been properly entered in the said register.
 - b) In our opinion and according to the information and explanations given to us, the transactions entered in the register maintained under Section 301 in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time and as per the Company's business need and exigencies.
6. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
7. In our opinion the Company has internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
9. a) According to the records of the Company and as per information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues applicable to it and there were no undisputed dues outstanding as on 31st March, 2011 for a period of more than six months from the date they become payable.
- b) In our opinion and according to the information and explanation given to us, there are no dues in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, and Cess that have not been deposited on account of any dispute.
10. The Company neither has any accumulated losses at the end of the financial year nor it has incurred any cash loss during the financial year or immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any Financial Institution or Bank.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit/nidhi/mutual benefit fund/society and hence clause (xiii) of the Order is not applicable.
14. In our opinion, the Company has maintained proper records of transactions and contracts in respect of dealing or trading in shares, securities and other investments and timely entries have been made therein. All shares and other investments have been held by the Company in its own name except for shares held in accordance with exemption provided under section 49 (3) of the Companies Act, 1956.
15. In our opinion and according to the information and explanations given to us, the guarantee given by the Company in respect of loans taken by others from bank, the terms and conditions thereof is not prejudicial to the interest of the Company.
16. According to the information and explanations given to us, the term loan has been applied for the purpose for which they were raised.
17. In our opinion and according to the information and explanations given to us, the short term funds raised by the Company have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the financial year.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been reported during the year.

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants
FR No. 112787W

Place : Mumbai
Date : May 30, 2011

JINESH J. SHAH
Partner
Membership No. 111155

ASIAN STAR COMPANY LIMITED
BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in Lacs)

	Schedule	MARCH 31, 2011		MARCH 31, 2010	
SOURCES OF FUNDS					
Shareholders Funds					
Share Capital	A	1,067.12	36,791.88	1,067.12	34,503.96
Reserves and Surplus	B	35,724.76		33,436.84	
	C				
Loan Funds					
Secured Loans		59,328.90	63,852.90	52,253.75	56,242.75
Unsecured Loans		4,524.00		3,989.00	
Deferred Tax Liability					
			2,550.91		2,498.46
			1,03,195.69		93,245.17
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	D	18,122.75	14,982.87	16,597.66	14,192.95
Less : Depreciation		3,139.88		2,404.71	
Capital Work in Progress					
			60.05		314.17
Investments					
	E		386.70		395.33
Current Assets, Loans & Advances					
Inventories	F	32,574.48		30,961.71	
Sundry Debtors		44,264.77		40,794.22	
Cash & Bank Balances		9,141.76		8,339.21	
Loans & Advances		9,779.31		11,515.64	
		95,760.32		91,610.78	
Less: Current Liabilities and Provisions					
Liabilities	G	4,385.02		10,837.34	
Provisions		3,609.23		2,430.72	
		7,994.25		13,268.06	
Net Current Assets					
			87,766.07		78,342.72
			1,03,195.69		93,245.17
Significant Accounting Policies and Notes forming part of Accounts					
	L				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155

SANGEETHA SHESHADRI
Company Secretary

DINESH T. SHAH
Chairman

VIPUL P. SHAH
CEO & Managing Director

Place : Mumbai
Dated : May 30, 2011

Place : Mumbai
Dated : May 30, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rs.in Lacs)

	Schedule	MARCH 31, 2011		MARCH 31, 2010	
INCOME					
Sales & Services	H	1,45,591.83		1,34,212.27	
Other Income	I	(85.64)		731.20	
			1,45,506.19		1,34,943.47
EXPENDITURE					
Material Cost	J	1,24,604.80		1,15,932.26	
Manufacturing and Other Expenses	K	11,691.64		9,244.45	
Purchase of Polished Diamonds / Jewellery		2,988.50		2,937.93	
Interest		1,716.19		2,364.39	
Depreciation / Impairment		737.12		763.48	
			1,41,738.25		1,31,242.51
PROFIT					
Profit Before Tax			3,767.94		3,700.96
Provision for Tax			1,179.34		676.35
Provision for Deferred Tax			52.46		168.00
Profit After Tax			2,536.14		2,856.61
Short Provision of Tax of Earlier Years			-		43.60
Prior Year Expenses			0.18		0.71
Balance Brought Forward			15,655.00		14,129.08
Balance Available for Appropriation			18,190.96		16,941.38
APPROPRIATION					
Paid / Proposed Dividend on Preference Shares			-		45.98
Proposed Dividend on Equity Shares			213.42		213.42
Tax on Dividend			34.62		43.26
Transfer to Capital Redemption Reserve			-		783.72
Transfer to General Reserve			200.00		200.00
Balance Carried to Balance Sheet			17,742.92		15,655.00
			18,190.96		16,941.38
Earning Per Share (Basic and Diluted) (Rs.)			23.76		25.85
Significant Accounting Policies and Notes forming part of Accounts	L				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155SANGEETHA SHESHADRI
Company SecretaryDINESH T. SHAH
ChairmanVIPUL P. SHAH
CEO & Managing DirectorPlace : Mumbai
Dated : May 30, 2011Place : Mumbai
Dated : May 30, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

(Rs. in lacs)

	MARCH 31, 2011	MARCH 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Items	3,767.93	3,700.98
Adjustment for		
Depreciation	737.12	763.48
Interest	1,716.19	2,364.39
Unrealised Foreign Exchange (Gain) / Loss	(303.22)	(1,571.91)
Dividend Received	(3.12)	(2.98)
(Profit) / Loss From Partnership firm	-	(638.68)
(Profit)/Loss on Sale of Fixed Assets	1.22	12.14
(Profit)/Loss on Sale of Investment	89.42	-
Diminution in Value of Investment Written off	4.74	(44.61)
Provision for Doubtful Debts	18.81	196.84
Bad Debts	209.98	-
Provision for Doubtful Debts Written Back	(196.84)	-
Wealth Tax	1.35	1.45
Operating Profit before Working Capital Changes	6,043.58	4,781.10
Adjustment for		
Receivables	(3,850.43)	(1,429.43)
Inventories	(1,612.78)	(4,077.21)
Loans & Advances	2,545.18	(7,155.19)
Current Liabilities	(6,428.18)	7,822.27
Cash Generated from / (used in) Operations	(3,302.63)	(58.46)
Taxation	(810.20)	(420.63)
Prior year Adjustments	(0.18)	(0.71)
Cash flow before Extraordinary Items	(4,113.01)	(479.80)
Net Cash from / (used in) Operating Activities	(4,113.01)	(479.80)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Includes Capital Work in Progress)	(1,284.57)	(618.74)
Sale of Fixed Assets	10.43	7.95
Purchase / Increase of Investments	(97.96)	(4.00)
Dividend Received	3.12	2.98
Sale/Decrease of Investments	12.44	1,535.00
Net Cash from / (used in) Investing Activities	(1,356.54)	923.19
C. CASH FLOW FROM FINANCING ACTIVITIES		
Preference Share Capital Redeemed	-	(2,520.00)
Secured Loans	7,702.17	3,629.00
Unsecured Loans	535.00	2,039.00
Interest	(1,716.19)	(2,364.39)
Dividend Paid	(213.42)	(334.98)
Tax on Dividend	(35.45)	(56.93)
Net Cash From / (used in) Financing Activities	6,272.11	391.70
Net Increase / (Decrease) in Cash & Cash Equivalents	802.56	835.09
Cash & Cash Equivalents as at 1st April (Opening)	8,339.21	7,504.12
Cash & Cash Equivalents as at 31st March (Closing)	9,141.77	8,339.21

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155SANGEETHA SHESHADRI
Company SecretaryDINESH T. SHAH
ChairmanVIPUL P. SHAH
CEO & Managing DirectorPlace : Mumbai
Dated : May 30, 2011Place : Mumbai
Dated : May 30, 2011

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE A - SHARE CAPITAL

(Rs. in Lacs)

	MARCH 31, 2011	MARCH 31, 2010
Authorised		
1,50,00,000 (1,50,00,000) Equity Shares of Rs.10 each	1,500.00	1,500.00
5,00,00,000 (5,00,00,000) Redeemable Cumulative Preference Shares of Rs.10 each	5,000.00	5,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,06,71,200 (1,06,71,200) Equity Shares of Rs. 10 each	1,067.12	1,067.12
	1,067.12	1,067.12

SCHEDULE B - RESERVES AND SURPLUS

(Rs. in Lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Capital Reserves				
As per Last Balance Sheet		298.16		298.16
Capital Redemption Reserve				
As per Last Balance Sheet	2,520.00		-	
Add: Transferred from Share Premium	-		1,736.28	
Add: Transferred from Profit & Loss Account	-		783.72	
		2,520.00		2,520.00
Share Premium				
As per Last Balance Sheet	-		1,736.28	
Less: Transferred to Capital Redemption Reserve	-		1,736.28	
		-		-
General Reserve				
As per Last Balance Sheet	14,963.68		14,763.68	
Add: Transfer from Profit and Loss Account	200.00		200.00	
		15,163.68		14,963.68
Surplus as per Profit and Loss Account		17,742.92		15,655.00
		35,724.76		33,436.84

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE C - LOAN FUNDS

(Rs. in Lacs)

	MARCH 31, 2011	MARCH 31, 2010
Secured Loans		
Working Capital Loan from Banks	56,374.62	48,819.76
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Hypothecation of Premises at Mumbai and Surat		
d. Guaranteed by some of the Directors in their personal capacity		
All loans are repayable within one year		
Term Loan from Banks	2,954.28	3,433.99
Secured by		
a. Fixed Deposits		
b. First charge on windmill, all related equipments, systems & accessories at Kerala & Tamilnadu		
c. Equitable mortgage of the land covered under the windmill project at Kerala & Tamilnadu		
Loan repayable within one year Rs.581.71 Lacs (Rs.581.71 Lacs)		
A	59,328.90	52,253.75
Unsecured Loans		
Loan from Directors	4,524.00	3,989.00
A + B	63,852.90	56,242.75

SCHEDULE D - FIXED ASSETS

(Rs. in Lacs)

	GROSS BLOCK (AT COST)				DEPRECIATION / IMPAIRMENT				NET BLOCK	
Description of Assets	As at April 1, 2010	Additions	Deduction	As at March 31, 2011	As at April 1, 2010	For the Year	Deductions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Land	774.81	-	-	774.81	-	-	-	-	774.81	774.81
Office Premises	2,800.09	-	-	2,800.09	206.22	45.64	-	251.86	2,548.23	2,593.87
Factory Premises	1,006.07	446.46	-	1,452.53	125.88	27.63	-	153.51	1,299.02	880.19
Plant & Machinery	11,176.94	796.38	8.45	11,964.87	1,797.86	600.98	0.07	2,398.77	9,566.10	9,379.08
Vehicles	306.90	36.28	5.16	338.02	98.28	29.59	1.89	125.98	212.04	208.62
Furniture & Fixtures	532.85	259.58	-	792.43	176.48	33.28	-	209.76	582.67	356.37
CURRENT YEAR	16,597.66	1,538.70	13.61	18,122.75	2,404.71	737.12	1.96	3,139.88	14,982.87	14,192.95
PREVIOUS YEAR	16,213.61	433.10	49.03	16,597.66	1,720.20	713.48	28.97	2,404.71	14,192.95	14,493.41

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE E - INVESTMENTS

(Rs.in Lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Long Term Investments:				
Unquoted:				
In Shares				
Wholly Owned Subsidiary- Asian Star Co. Ltd., USA 5 (5) Shares of US\$ 100000 each.	178.75		178.75	
Wholly Owned Subsidiary - Inter Gems DMCC 200 (200) Shares of AED 1,000 each	12.01		12.01	
Wholly Owned Subsidiary- Asian Star Jewels Pvt Ltd. 10,00,000 (50,000) Shares of Rs. 10 each.	100.00		5.00	
Krishana Sagar Builders Ltd. Nil (40,000) Shares of Rs.10 each.	-		100.00	
		290.76		295.76
Current Investments:				
Quoted:				
In Shares				
Classic Diamonds (India) Ltd. 5,000 (5,000) Shares of Rs. 2 each	4.65		4.65	
Flawless Daimond (India) Ltd. 100 (100) Shares of Rs. 10 each	0.01		0.01	
Gitanjali Gems Ltd. 1,000 (1,000) Shares of Rs. 10 each	2.21		2.21	
Goldiam International Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.97		0.97	
Golkunda Diamonds & Jewellery Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
Parekh Platinum Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
Rajesh Exports Ltd. 600 (600) Shares of Re. 1 each	0.52		0.52	
S.B. & T International Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
Shantivijay Jewels Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
Shrenuj & Co Ltd. 1,000 (1,000) Shares of Rs. 2 each	0.45		0.45	
Suashish Diamonds Ltd. Nil (1,000) Shares of Rs. 10 each	-		1.86	
Su-Raj Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.57		0.57	
Vaibhav Gems Ltd. 10 (10) Shares of Rs. 10 each	0.03		0.03	
Zodia JRD MKJ Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
Va-Tech Wabag Ltd. 226 (Nil) Shares of Rs. 5 each	2.96		-	
A	12.42		11.32	

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE E - INVESTMENTS CONTD...

(Rs.in Lacs)

		MARCH 31, 2011		MARCH 31, 2010	
Quoted: In Mutual Funds					
JM Agri & Infra Fund		25.00		25.00	
2,50,000 (2,50,000) units of Rs.10 each					
JM Basic Fund		25.00		25.00	
84,555 (84,555) units of Rs.10 each					
JP Morgan India EQ Fund		25.00		25.00	
1,76,267 (1,76,267) units of Rs.10 each					
Reliance Diver.Pow.Sec Fund		25.00		25.00	
47,975 (47,975) units of Rs.10 each					
Reliance Media & Ent Fund		25.00		25.00	
63,081 (63,081) units of Rs.10 each					
Reliance Vision Fund		25.00		25.00	
39,708 (39,708) units of Rs.10 each					
	B	150.00		150.00	
Total	A+B	162.42		161.32	
Less : Diminution in Market Value of Current Investment		(66.48)		(61.75)	
Market Value			95.94		99.57
(Current Year Rs.95.94 Lacs)					
(Previous Year Rs.99.57 Lacs)					
			386.70		395.33

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE F - CURRENT ASSETS, LOANS AND ADVANCES

(Rs.in Lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Current Assets				
Inventories				
(As Verified, Valued and Certified by a Director)				
Raw Materials	19,702.12		18,696.06	
Work In Progress	2,184.94		2,020.26	
Finished Goods	10,646.15		10,228.46	
Consumables	10.70		4.94	
Silver Stock	30.57		11.99	
		32,574.48		30,961.71
Sundry Debtors				
(Unsecured)				
For a period more than six months				
Considered Good	1,651.75		2,215.52	
Considered Doubtful	18.81		196.84	
	1,670.56		2,412.36	
Others				
Considered Good	42,613.02		38,578.70	
Considered Doubtful	-		-	
	42,613.02		38,578.70	
Less: Provision for Doubtful Debts	18.81		196.84	
		44,264.77		40,794.22
Cash and Bank Balances				
Cash on Hand	50.79		43.15	
Balances with Scheduled Bank				
In Current Accounts	1,864.36		1,624.79	
In Fixed Deposits	7,226.61		6,671.27	
		9,141.76		8,339.21
LOANS AND ADVANCES				
(Unsecured, Considered Good)				
Advance for Capital Goods	50.25		52.38	
Advance Income Tax	3,193.74		2,331.75	
Loan to Subsidiary Company	521.41		151.39	
Advances Recoverable in Cash or in Kind or for Value to be Received	5,754.10		8,741.28	
	9,519.50		11,276.80	
Deposits				
For Office Premises	182.36		177.86	
With Others	77.45		60.98	
	259.81		238.84	
		9,779.31		11,515.64
		95,760.32		91,610.78

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE G - CURRENT LIABILITIES & PROVISIONS

(Rs.in Lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Current Liabilities				
Creditors for Goods	2,867.39		9,468.18	
Creditors for Processing	1,063.52		1,000.73	
Creditors for Others	389.43		290.43	
		4,320.34		10,759.34
Creditors for Capital Goods		64.12		69.70
Temporary Overdraft		0.38		8.16
Unclaimed Dividend *		0.18		0.14
		4,385.02		10,837.34
Provisions				
Proposed Dividend	213.42		213.42	
Tax on Dividend	34.62		35.45	
Taxation	3,361.19		2,181.85	
		3,609.23		2,430.72
		7,994.25		13,268.06

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

SCHEDULE H - SALES & SERVICES

(Rs.in Lacs)

	MARCH 31, 2011	MARCH 31, 2010
Sales - Diamonds	1,28,644.17	1,24,968.95
Sales - Jewellery	16,093.58	8,338.70
Sales of Power -Windmill	693.89	791.82
Jewellery Making Charges	160.19	112.80
	1,45,591.83	1,34,212.27

SCHEDULE I - OTHER INCOME

(Rs.in Lacs)

	MARCH 31, 2011	MARCH 31, 2010
Dividend Received	3.12	2.98
Profit/(Loss) on Sale of Shares	(89.42)	-
Miscellaneous Receipts	0.66	89.54
Share of Profit from Partnership Firm	-	638.68
	(85.64)	731.20

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE J - MATERIAL COST

(Rs.in Lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Raw Material				
Stock at the Commencement	18,708.06		9,085.91	
Purchases during the year	1,26,211.80		1,20,008.66	
	1,44,919.86		1,29,094.57	
Less : Stock at the Close	19,732.69		18,708.06	
		1,25,187.17		1,10,386.51
Variation in Stock of Work In Progress				
Stock at the Commencement	2,020.26		583.32	
Less: Stock at the Close	2,184.94		2,020.26	
		(164.68)		(1,436.94)
Variation in Stock of Finished Goods				
Stock at the Commencement	10,228.46		17,211.15	
Less: Stock at the Close	10,646.15		10,228.46	
		(417.69)		6,982.69
		1,24,604.80		1,15,932.26

SCHEDULE K - MANUFACTURING & OTHER EXPENSES

(Rs.in Lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Manufacturing Expenses				
Processing Expenses	7,302.80		5,674.67	
Wages	194.73		116.00	
Contribution to E.S.I.C.	6.42		3.18	
Contribution to Provident Fund	12.67		7.25	
Electricity, Power & Fuel	249.64		183.70	
Consumables	209.60		151.77	
Factory Expenses	48.22		35.95	
		8,024.08		6,172.52
Employee's Emoluments				
Salary & Bonus	1,157.63		859.54	
Director's Remuneration	87.00		87.00	
Gratuity	77.01		21.56	
Ex Gratia & Leave Encashment	78.44		45.01	
Labour Welfare Fund Expenses	0.52		0.45	
Contribution to Provident Fund	60.02		50.94	
Group Insurance	36.78		17.22	
Contribution to E.S.I.C.	18.79		11.14	
Staff Welfare Expenses	8.65		4.79	
		1,524.84		1,097.65
Administrative Expenses				
Bank Commission & Charges	108.22		107.38	
Electrical Charges	107.58		111.84	
Telephone, Internet and Fax Charges	56.93		49.30	
Local Travelling and Conveyance	51.96		46.06	
Legal & Professional fees	75.11		94.43	
Audit Fees	4.96		4.96	
Printing & Stationery	27.92		20.67	
Repairs & Maintenance (Other)	88.84		60.03	
Repairs & Maintenance (Building)	4.72		2.24	
Repairs & Maintenance (Plant & Machinery)	71.16		23.96	
Repairs & Maintenance (Windmill)	151.50		134.12	
Postage and Courier	26.66		22.96	

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE K - MANUFACTURING & OTHER EXPENSES CONTD...

(Rs.in Lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Bad Debts	209.98		-	
Provision for Doubtful Debt	18.81		196.84	
Provision for Doubtful Debts Written Back	(196.84)		-	
Motor Car Expenses	28.66		24.12	
Insurance Premium	132.79		133.45	
Rent & Compensation	117.18		98.45	
Donation	91.13		58.45	
Office Canteen Expenses	89.54		62.48	
Office Expenses	14.11		11.06	
Director's Sitting Fees	1.36		1.50	
Sundry Expenses	60.43		60.22	
Security Charges	37.00		26.17	
Loss on Sale of Assets	1.22		12.14	
Registration & Filing Charges	1.28		0.54	
Wealth Tax	1.35		1.45	
Membership and Subscription	1.68		3.20	
Diminution in market value of Current Investments	4.74		(44.61)	
		1,389.98		1,323.41
Selling & Distribution Expenses				
Advertisement	41.65		38.81	
Sales Expenses	62.42		45.06	
Entertainment Expenses	15.88		5.83	
Foreign Travelling	93.42		60.30	
Commission on Sales	145.67		139.88	
Re-Assortment Charges	15.03		6.00	
Freight & Clearing Charges	102.03		88.56	
Agency Charges	9.44		10.79	
E.C.G.C. Premium	63.03		61.60	
Diamond Grading Charges	192.13		186.76	
Packing Expenses	12.04		7.28	
		752.74		650.87
		11,691.64		9,244.45

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE L

Notes annexed to and forming part of the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date

I-SIGNIFICANT ACCOUNTING POLICIES

A. Basis for Preparation of Financial Statements

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

B. Sales

Income from the sale of diamonds / jewellery is recognised when the sale has been completed with the passing of the title. Income from sale of wind energy is recognised on its transmission and delivery.

C. Other Income

Interest

Interest income is recognised on accrual basis.

Income from Investments

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

D. Depreciation

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

E. Impairment of Assets

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

F. Foreign Currency Transactions

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

F.2 Monetary items denominated in foreign currencies at the year end are translated at year end exchange rate.

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

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

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

G. Fixed Assets

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

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

H. Capital Work in Progress

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

I. Borrowing Costs

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

J. Investment

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

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

J.3 Investment in Partnership firm is accounted after including share of profit thereon as per last available audited information.

K. Inventories

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

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

K.3 Consumables are valued at cost.

L. Employee Benefits

L1. Short term Employees benefit

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

L2. Long Term Employee Benefit

a) Provident Fund Act, Family pension fund & employees State Insurance Scheme.

As per Provident Fund Act, 1952 all employees of the 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 recognised and administered by Government of India.

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

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

M. Taxation

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

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

N. Provisions, Contingent Liabilities and Contingent Assets

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

II-NOTES FORMING PART OF THE ACCOUNTS

1. Surplus / (Deficit) on account of exchange difference on outstanding forward exchange contracts to be recognised in profit and loss account of subsequent accounting period aggregate to Rs. 798.96 lacs (For F.Y. 2009-10 it was Rs 459.37 lacs).
2. **Derivative Instruments:**
 - a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2011.
 - i) For hedging currency related risk:
Forward / option contracts (net) for sales entered into by the company and outstanding as On 31st March, 2011 amount to Rs. 545.44 Crores (for F.Y.2009-10 forward / option contracts (net) for purchase was Rs. 2,861.65 Crores)
 - ii) For Hedging commodity related risk:
Forward contracts for Gold entered into by the company and outstanding as on 31st March, 2011 covers 124 Kgs. (For F.Y.2009-2010 it was 139 Kgs.).
 - b) Foreign currency exposure that is not hedged by the derivative instruments as on 31st March, 2011, amount to Rs. Nil. (for F.Y.2009-10 it was Rs. Nil).
3. 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, 2011	As at 31st March, 2010
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

4. The Company has given guarantee of Rs. 3,648.75 lacs (Previous year Rs Nil) to banks for facilities availed by its subsidiary companies.

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

5. Related Party Disclosure for the year ended 31st March, 2011.

(A) Particulars of Enterprises controlled by the Company Name of Related Party Asian Star Co. Ltd. (U.S.A.) Inter Gems DMCC. Asian Star Jewels Pvt. Ltd.	Relationship Subsidiary Subsidiary Subsidiary
(B) Particulars of Key Management Personnel Name of Related Party Dinesh T. Shah Vipul P. Shah Dharmesh D. Shah Arvind T. Shah Priyanshu A. Shah	Relationship Chairman CEO & Managing Director CFO & Jt. Managing Director Executive Director Executive Director
(C) Particulars of Enterprises Under Common control of the Key Management Personnel Jewel Art Asian Star Diamonds International Pvt. Ltd. Shah Manufacturers Rahil Agencies A'Star Exports Shah Enterprises	
(D) Particulars of Relatives of Key Management Personnel where there are transactions. Shweta D. Shah	
(E) Particulars of Transactions with Parties Referred to in (A) above Sale of Polished Diamonds Sale of Rubber Mould Sale of Color stone Amount Outstanding Shown under Sundry Debtors Investment in Subsidiary during the year Investment in Subsidiary Loan given to Subsidiary (Net) Amount of loan outstanding from subsidiary Amount of Guarantee Given for Bank Facilities	(Rs.in Lacs) 8,494.01 1.49 3.06 3,789.80 95.00 290.76 370.03 521.41 3648.75
(F) Particulars of Transactions with Parties Referred to in (B) above Directors' Remuneration Rent Paid Amount Outstanding shown under Deposits for Office Premises Unsecured Loan Taken –(net) Amount Outstanding shown under Unsecured loans from Directors	(Rs.in Lacs) 87.00 3.60 110.00 535.00 4,524.00
(G) Particulars of Transactions with Parties Referred to in (C) above Sale of Polished Diamonds / Jewellery Amount Outstanding Shown Under Sundry Debtors Rent Payment Lease Deposit Outstanding shown under Deposits Contract for Processing of Diamonds to Shah Manufacturers Amount Outstanding shown under Creditors for Processing Purchase of Fixed Assets Sale of Color stone Jewellery Making Charges	(Rs.in Lacs) 430.14 Nil 3.60 10.00 4,248.42 457.18 15.50 0.91 0.28
(H) Particulars of Transactions with Parties Referred to in (D) above Sale of Jewellery	(Rs.in Lacs) 4.12

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

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

a) Defined Contribution Plan

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

(Rs.in Lacs)

Particulars	
Employers Contribution to Provident Fund & Family Pension Fund	72.68
Employers Contribution to Employees State Insurance Scheme	25.21
Employers Contribution to Labour Welfare Fund	0.52

b) Defined Benefit Plan:

Defined benefits plan as per actuarial valuation as on 31st March, 2011 and recognised in the financial statement in respect of Employee Benefits Scheme:

(Rs.in Lacs)

Disclosure under AS 15 (Revised) Employee Benefits:	Gratuity (Funded)
I) Change in defined benefits obligation as at 31st March, 2011	
a) Present value of the obligation as at the beginning of the year	217.50
b) Current Service Cost	24.32
c) Interest Cost	18.99
d) Benefit Paid	(9.00)
e) Actuarial (gain)/Loss on obligation	49.92
f) Present value of obligation as at the end of the year	301.73
II) Change in fair value of plan assets	
a) Present value of the plan assets at the beginning of the year	167.41
b) Expected return on plan Assets	14.94
c) Contribution	23.84
d) Benefit Paid	(9.00)
e) Actuarial gain/(loss) on plan assets	1.28
f) Present value of plan asset at the end of the year	198.47
g) Actual return on plan assets	16.21
III) Component of Employee Cost recognised in Profit & Loss Account.	
a) Interest Cost	18.99
b) Current Service Cost	24.32
c) Expected return on plan Assets	(14.94)
d) Actuarial (gain)/loss	48.64
e) Expenses recognised in Profit & Loss A/c	77.01
IV) Reconciliation of Present value of obligation and fair value of Plan assets	
a) Present value of obligation at the end of the year	301.73
b) Fair Value of Plan Assets at the end of the year	198.47
c) Difference	(103.26)
d) Amount recognised in the Balance Sheet	(103.26)
V) Actuarial Assumptions	(%)
a) Discount Rate	8.25
b) Expected rate of return on assets	8.00
c) Future salary escalation	5.00
d) Attrition rate	2.00

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

7. Investments purchased and sold during the year: Nil

8. Deferred Tax Liability

Break up of Deferred Tax Liability as on 31st March, 2011 is as given below;

(Rs. in lacs)

Particulars		
Deferred Tax Liability as on 1.4.2010	2,622.94	
Add:		
Provision for Deferred Tax made during the year arising on account of timing difference in Depreciation	12.55	
Reversal of provision for Doubtful Debts	65.39	
Deferred Tax Liability as on 31.03.2011		2,700.88
Less:		
Deferred Tax Asset as on 1.4.2010	124.48	
Provision for diminution in market value of Current investments	1.58	
Provision for Doubtful Debts	6.25	
Gratuity Liability – Current year	17.66	
Deferred Tax Assets as on 31.03.2011		149.97
Deferred Tax Liability (Net) as on 31.3.2011		2,550.91

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

9. Segment-wise reporting Revenue, Result and Capital Employed

(Rs. in lacs)

Particulars	2010-2011	2009-2010
Description		
1. Segment – Revenue		
Diamond	1,36,972.42	1,30,032.03
Jewellery	16,259.50	9,091.17
Others	603.51	845.40
Total	1,53,835.43	1,39,968.60
Less: Inter Segment Revenue / Transfer	8,333.98	4,980.52
Net Sales / Revenue	1,45,501.45	1,34,988.08
2. Segment Results		
Profit/(Loss) before Tax and Interest from each segment		
Diamond	4,295.48	4,629.37
Jewellery	1,112.49	1,087.23
Others	75.98	348.06
Total	5,483.95	6,064.66
Less:		
I) Interest	1,716.19	2,364.39
ii) Other un – allocable expenses	-	-
Total Profit before Tax	3,767.76	3,700.27
3. Capital Employed		
Diamond	30,925.02	32,035.24
Jewellery	2,425.23	1,312.74
Others	3,441.62	1,155.98
Unallocated net assets	-	-
Total Capital Employed	36,791.87	34,503.96

The Company now recognises two reportable business segments viz. cut and polished diamonds and jewellery. The business which is not reportable during the year, has been grouped under 'Others' segment, this comprises wind energy generation.

Secondary Segment

Details as per Geographic Region

(Rs. in lacs)

Region	Region wise Sales & Services	Direct Segment Assets (Debtors)
1. Exports		
ASIA	76,001.19	24,425.75
USA	15,971.20	6,973.00
EUROPE	20,527.99	6,343.32
OTHERS	3,337.09	62.15
2. Local	29,754.36	6,460.54
TOTAL	1,45,591.83	44,264.76

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

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

10. Earning Per Share:

(Rs. in lacs)

Particulars	2010-2011	2009-2010
Profit After Tax	2,536.14	2,856.61
Short Provision of Tax of Earlier Years	-	43.60
Prior Year Expense	0.18	0.71
Dividend on Preference Share & Tax thereon	-	53.80
Number Of Equity Shares	10,671,200	10,671,200
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share(Basic) (Rs.)	23.76	25.85

11. Licensed and installed capacity:

A. Information in respect of goods manufactured:

Polished Diamonds	Units	2010-2011	2009-2010
Licensed Capacity	Carats	N.A.	N.A.
Installed Capacity	Carats	N.A.	N.A.
*Production (*Including Manufactured by others on job work basis)	Carats	5,29,452.40	5,33,735.30

Jewellery	Units	2010-2011	2009-2010
Licensed Capacity	Pcs.	2,40,000	2,40,000
Installed Capacity	Pcs.	90,000	60,000
Production	Pcs.	72,457	38,694

Windmill	Units	2010-2011	2009-2010
Installed Capacity	KW	11,500	11,500
Generation	KWH	2,20,79,512	2,45,45,385

B. Particulars of Purchase, Sales, Manufacture and Stock of finished goods.

Polished Diamonds	2010-2011		2009-2010	
	Quantity in carats	Rs. in Lacs	Quantity in carats	Rs. in Lacs
Opening Stock	74,162.54	7,827.25	82,477.01	14,995.40
Purchases	14,129.19	2,919.25	14,768.79	2,922.50
Manufactured	5,29,452.40	1,25,924.90	5,33,735.30	1,12,308.52
Sales	5,22,126.76	1,25,773.23	5,28,279.25	1,23,091.31
Transfer to Jewellery Division	40,917.28	8,333.98	28,401.29	4,980.52
Weight Loss	315.00	-	138.02	-
Closing Stock	54,385.09	7,180.00	74,162.54	7,827.25

Jewellery	2010-2011		2009-2010	
	Quantity in Pcs.	Rs. in Lacs	Quantity in Pcs.	Rs. in Lacs
Opening Stock	9,350	2,401.21	12,078	2,215.75
Purchases	2,058	69.24	48	15.43
Manufactured	72,457	15,446.74	38,694	7,735.78
Sales	70,723	16,092.76	41,470	8,329.75
Closing Stock	13,142	3,466.15	9,350	2,401.21

Windmill	2010-2011		2009-2010	
	Quantity in Kwh	Rs. in Lacs	Quantity in Kwh	Rs. in Lacs
Sales of Power	2,20,79,512	693.89	2,45,45,385	791.82

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

C. Analysis of Material Consumed

Rough Diamonds	2010-2011		2009-2010	
	Quantity in carats	Rs. in Lacs	Quantity in carats	Rs. in Lacs
Consumption	12,37,507.70	1,18,386.85	11,20,109.81	1,06,430.67
Sales	47,204.63	2,865.21	51,285.38	1,877.65

Gold	2010-2011		2009-2010	
	Quantity in gms.	Rs. in Lacs	Quantity in gms.	Rs. in Lacs
Consumption				
Raw Gold	2,78,954.17	5,372.84	2,34,045.83	3,761.46
Gold Findings	15,245.08	312.31	1,804.15	33.11
Gold Mountings	17,099.93	439.73	12,400.11	233.91
Sales	Nil	Nil	13.46	0.20

Polished Diamonds (for jewellery manufacturing)	2010-2011		2009-2010	
	Quantity in carats	Rs. in Lacs	Quantity in carats	Rs. in Lacs
Consumption	41,364.64	8,040.00	27,273.46	4,696.98
Sales	12.04	2.13	Nil	Nil

(Rs. in lacs)

Sr. No	Particulars	2010-2011	2009-2010
12	Value of imported and indigenous consumption (For Polished Diamonds)		
	• Imported Raw material	67,350.28	67,703.99
		56.89%	63.61%
	• Indigenous Raw material	51,036.57	38,726.68
		43.11%	36.39%
	TOTAL	1,18,386.85	1,06,430.67
13	Value of imported and indigenous consumption (For Jewellery Manufacturing)		
	• Imported Raw material	493.18	308.22
		3.26%	3.45%
	• Indigenous Raw material	14,641.11	8,628.14
		96.74%	96.55%
	TOTAL	15,134.29	8,936.36
14	Interest Charged to Profit & Loss account is net of Interest received	470.80	523.38
	Tax Deducted at source	47.82	60.33
15	Expenses (Income) in respect of previous years debited / Credited during the year.	0.18	0.71
16	Value of Import on CIF Basis - Raw Materials		
	Rough Diamonds	59,208.15	66,022.16
	Gold Mountings	439.73	233.91
	Alloy	52.89	30.33
	Polished Diamonds (Jewellery Division)	Nil	43.98
	Colour Stone	0.56	Nil
17	Expenditure in Foreign Currency		
	Foreign Traveling	26.25	17.54
	Consumables	92.00	82.87
	Diamond Grading Charges	Nil	19.57
	Repairs & Maintenance	Nil	5.42

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2010

(Rs. in lacs)

Sr. No	Particulars	2010-2011	2009-2010
18	Earning in Foreign exchanges		
	a. FOB value of Diamondsexported	1,06,571.74	1,09,750.19
	b. FOB value of Jewelleryexported	29.49	14.02
19	Breakup of remuneration paid to Managing/Wholetime Directors		
	a. Salary	87.00	87.00
	b. Contribution to Provident & other Fund	0.19	0.19
	The Company has been advised that the computation of net profit pursuant to section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to Directors.		
20	Auditors Remuneration		
	a. Audit Fees	4.96	4.96
	b. Other matters	0.55	0.55
	TOTAL	5.51	5.51

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

Schedules 'A' to 'L' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

22 Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profiles.

1	Registration Details	Registration No.	State Code
	Balance Sheet Date	L36910MH1995PLC08601 31 03 2011	11
2	Capital raised during the year (Amount in Rs. '000)	Public Issue	Right Issue
		Nil	Nil
		Bonus Issue	Private Placement
		Nil	Nil
3	Position of Mobilization and Deployment of Funds (Amount in Rs. '000)	Total Liabilities	Total Assets
		1,03,19,570	1,03,19,570
		Paid up Capital	Reserves & Surplus
		1,06,712	35,72,475
		Secured Loans	Unsecured Loans
	Sources of Funds	59,32,890	4,52,400
		Deferred Tax Liability	
		2,55,092	
		Net Fixed Assets	Investments
		15,04,291	38,670
4	Performance of Company (Amount in Rs. '000)	Net Current Assets	Miscellaneous Expenditure
		87,76,609	Nil
		Accumulated Losses	
		Nil	
		Turnover	Total Expenditure
5	Generic names of principal products, services of the Company	1,45,50,619	1,41,73,826
		Profit Before Tax	Profit After Tax
		3,76,793	2,53,613
		Earning Per Share	Dividend Rate %
		23.76	20 %
		Item Code No.	Product Description
		71023910	Cut & Polished Diamonds
		71131930	Diamond Studded Jewellery

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155SANGEETHA SHESHADRI
Company SecretaryDINESH T. SHAH
ChairmanVIPUL P. SHAH
CEO & Managing DirectorPlace : Mumbai
Dated : May 30, 2011Place : Mumbai
Dated : May 30, 2011

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in the Subsidiary

A. Name of the Subsidiary Company	Asian Star Company Limited (New York)	Inter Gems DMCC (Dubai)	Asian Star Jewels Private Limited
B. Date from which it became Subsidiary	September 27, 1996	February 20, 2008	December 16, 2008
C. Number of Shares held by Asian Star Company Limited with its nominee in the subsidiary as at 31/03/2011	5 Equity Shares of US \$100,000 fully paid	200 Equity Shares of AED 1,000 fully paid	10,00,000 Equity Shares of Rs. 10 fully paid
D. Extent of interest of Holding Company in the Subsidiary as at 31/03/2011	100%	100%	100%
E. Net aggregate amount of profits/(losses) of the Subsidiary Company as far as it concerns the members of the Company			
a. Dealt with in the Company's account			
I. for the financial year of the subsidiary	Nil	Nil	Nil
ii. for the previous year of the subsidiary since it became the subsidiary of the Company	US \$ 100,000 (Rs. 44.65 Lacs)	Nil	Nil
b. Not dealt with in the Company's account			
I. for the financial year of the subsidiary	US \$ 12,920 (Rs. 5.77 Lacs)	US \$ 22,83,157 (Rs. 1019.43 Lacs)	Rs. 205.22 Lacs
ii. for the previous years of the subsidiary since it became the subsidiary of the company	US \$ 17,510 (Rs. 7.82 Lacs)	US \$ 9,83,093 (Rs. 438.95 Lacs)	Nil

Notes :

Converted at the rate of exchange US\$ 1= Rs. 44.65 prevailing on 31/03/2011.

For and on behalf of the Board

DINESH T. SHAH
Chairman

VIPUL P. SHAH
CEO & Managing Director

Place : Mumbai
Date : May 30, 2011

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO

THE BOARD OF DIRECTORS**ASIAN STAR COMPANY LIMITED**

We have examined the attached consolidated Balance Sheet of ASIAN STAR COMPANY LIMITED, ("The Company") and its subsidiaries as at March 31, 2011, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the Financial Statements of certain subsidiaries whose financial statements reflect total assets (net) of Rs. 2,424.43 lacs as at March 31, 2011 and total revenues of Rs. 2,644.39 lacs for the year ended on that date. These Financial Statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.

We report that the consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited Financial Statements of the Company and its subsidiaries included in the consolidated Financial Statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited Financial Statements of the Company and its subsidiaries, we are of the opinion that the said consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India,

- i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at March 31, 2011,
- ii) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

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

Place : Mumbai
Date : May 30, 2011

JINESH J. SHAH
Partner
Membership No: 111155

ASIAN STAR COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in lacs)

	SCHEDULE	MARCH 31, 2011		MARCH 31, 2010	
SOURCES OF FUNDS					
Shareholders Funds					
Share Capital	A	1,067.12		1,067.12	
Reserves and Surplus	B	37,416.10		33,913.57	
			38,483.22		34,980.69
Loan Funds					
Secured Loans	C	60,997.46		52,253.75	
Unsecured Loans		5,257.92		4,791.24	
			66,255.38		57,044.99
Deferred Tax Liability			2,550.91		2,498.46
			1,07,289.51		94,524.14
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	D	18,894.68		17,124.51	
Less : Depreciation		3,276.53		2,499.56	
			15,618.15		14,624.95
Capital Work in Progress			60.05		411.50
Investments	E		95.93		199.58
Current Assets, Loans & Advances					
Inventories	F	34,677.18		31,671.87	
Sundry Debtors		51,544.62		42,530.62	
Cash & Bank Balances		9,796.67		8,451.60	
Loans & Advances		9,995.62		12,220.13	
		1,06,014.09		94,874.22	
Less: Current Liabilities and Provisions					
Liabilities	G	10,890.95		13,157.22	
Provisions		3,609.23		2,430.73	
		14,500.18		15,587.95	
Net Current Assets			91,513.91		79,286.27
Miscellaneous Expenditure (to the extent not written off or adjusted)			1.47		1.84
			1,07,289.51		94,524.14
Significant Accounting Policies and Notes forming part of Accounts	L				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155SANGEETHA SHESHADRI
Company SecretaryDINESH T. SHAH
ChairmanVIPUL P. SHAH
CEO & Managing DirectorPlace : Mumbai
Dated : May 30, 2011Place : Mumbai
Dated : May 30, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rs. in lacs)

	SCHEDULE	MARCH 31, 2011		MARCH 31, 2010	
INCOME					
Sales & Services	H	1,66,732.64		1,46,701.74	
Other Income	I	(82.47)		98.74	
			1,66,650.17		1,46,800.48
EXPENDITURE					
Material Cost	J	1,25,425.68		1,17,872.26	
Manufacturing and Other Expenses	K	12,326.12		9,855.82	
Purchase of Polished Diamonds/Jewellery		21,354.98		11,916.49	
Interest		1,732.65		2,409.01	
Depreciation/Impairment		779.93		821.91	
Preliminary Expenses Written off		0.37		-	
Pre Operative Expenses		13.83		-	
			1,61,633.56		1,42,875.49
PROFIT					
Profit Before Tax			5,016.61		3,924.99
Provision for Tax			1,186.32		686.44
Provision for Deferred Tax			52.46		168.00
Profit After Tax (before adjustment of minority interest)			3,777.83		3,070.55
Share of Profit(Loss) Transferred to Minority			-		63.17
Profit After Tax (after adjustment of minority interest)			3,777.83		3,007.38
Short Provision of Tax of Earlier Years			-		43.61
Prior Year Expenses			0.18		0.71
Balance Brought Forward			18,745.23		17,068.55
Balance Available for Appropriation			22,522.88		20,031.61
APPROPRIATION					
Proposed Dividend on Preference Shares			-		45.98
Proposed Dividend on Equity Shares			213.42		213.42
Tax on Dividend			34.62		43.26
Transfer to Capital Redemption Reserve			-		783.72
Transfer to General Reserve			200.00		200.00
Balance Carried to Balance Sheet			22,074.84		18,745.23
			22,522.88		20,031.61
Earning Per Share (Basic and Diluted) (Rs.)			35.40		27.26
Significant Accounting Policies and Notes forming part of Accounts	L				

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155SANGEETHA SHESHADRI
Company SecretaryDINESH T. SHAH
ChairmanVIPUL P. SHAH
CEO & Managing DirectorPlace : Mumbai
Dated : May 30, 2011Place : Mumbai
Dated : May 30, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2011

(Rs. in Lacs)

	MARCH 31, 2011	MARCH 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	5,016.61	3,924.99
Adjustment for		
Preliminary Expenses	0.37	
Depreciation	779.93	821.91
Interest	1,732.65	2,409.01
Unrealised Foreign Exchange (Gain) / Loss	(303.22)	(1,571.90)
Dividend Received	(3.12)	(2.98)
(Profit)/Loss on Sale of Fixed Assets	1.22	12.14
(Profit)/Loss on Sale of Investment	89.42	-
Diminution in value of Investment Written off	4.74	(44.61)
Provision for Doubtful Debts	18.81	196.84
Bad Debts	209.98	-
Provision for Doubtful Debts Written Back	(196.84)	-
Wealth Tax	1.35	1.45
Share of Minority	-	(63.17)
Operating Profit before Working Capital changes	7,351.90	5,683.68
Adjustment for		
Receivables	(9,394.06)	8,874.30
Inventories	(3,005.31)	(1,100.73)
Loans & Advances	3,033.36	(7,839.52)
Current Liabilities	(2,249.95)	1,360.43
Cash Generated from / (used in) Operations	(4,264.06)	6978.16
Taxation	(810.20)	(430.70)
Prior year expenses	(0.18)	(0.71)
Cash Flow before Extraordinary Items	(5,074.44)	6546.75
Net Cash from / (used in) Operating Activities	(5,074.44)	6546.75
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Includes Capital Work in Progress)	(1,432.33)	(721.13)
Sale of Fixed Assets	10.43	407.07
Purchase / Increase of Investments	(2.96)	-
Dividend Received	3.12	2.98
Sale/Decrease of Investments	12.44	-
Net Cash from / (used in) Investing Activities	(1,409.30)	(311.08)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Preference Share Capital Redeemed	-	(2,520.00)
Secured Loans	9,370.73	947.66
Unsecured Loans	466.68	2,169.43
Reversal of Reserves on Retirement from Partnership Firm	-	(3,262.61)
Interest	(1,732.65)	(2,409.01)
Share of Minority Interest	-	(495.71)
Dividend Paid	(213.42)	(334.98)
Tax on Dividend	(35.45)	(56.93)
Net Cash From / (used in) Financing Activities	7,855.89	(5,962.15)
Increase/ (Decrease) in Translation Reserve on Consolidation	(27.08)	(810.88)
Net increase / (decrease) in Cash & Cash Equivalents	1,345.07	(537.36)
Cash & Cash Equivalents as at 1st April (Opening)	8,451.60	8,988.96
Cash & Cash Equivalents as at 31st March (Closing)	9,796.67	8,451.60

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155SANGEETHA SHESHADRI
Company SecretaryDINESH T. SHAH
ChairmanVIPUL P. SHAH
CEO & Managing DirectorPlace : Mumbai
Dated : May 30, 2011Place : Mumbai
Dated : May 30, 2011

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011**SCHEDULE A - SHARE CAPITAL**

(Rs. in lacs)

	MARCH 31, 2011	MARCH 31, 2010
Authorised		
1,50,00,000 (1,50,00,000) Shares of Rs.10 each	1,500.00	1,500.00
5,00,00,000 (5,00,00,000) Redeemable Cumulative Preference Shares of Rs.10 each	5,000.00	5,000.00
	6,500.00	6,500.00
Issued, Subscribed and Paid-up		
1,06,71,200 (1,06,71,200) Equity Shares of Rs. 10 each	1,067.12	1,067.12
	1,067.12	1,067.12

SCHEDULE B - RESERVES AND SURPLUS

(Rs. in Lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Capital Reserves				
As per Last Balance Sheet	294.50		1,006.78	
Less : Reversal of reserve on retirement from partnership firm	-		712.28	
		294.50		294.50
Capital Redemption Reserve				
As per Last balance sheet	2,520.00		-	
Add: Transferred from Share Premium	-		1,736.28	
Add: Transferred from Profit & Loss Account	-		783.72	
		2,520.00		2,520.00
Share Premium				
As per Last Balance Sheet	-		1,736.28	
Less: Transferred to Capital Redemption Reserve	-		1,736.28	
		-		-
General Reserve				
As per Last Balance Sheet	12,413.37		14,763.68	
Less : Reversal of reserve on retirement from partnership firm	-		2,550.31	
Add : Transfer from Profit and Loss Account	200.00		200.00	
		12,613.37		12,413.37
Surplus as per Profit and Loss Account		22,074.84		18,745.23
Translation Reserve on Consolidation		(86.61)		(59.53)
		37,416.10		33,913.57

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE C - LOAN FUNDS

(Rs. in lacs)

	MARCH 31, 2011	MARCH 31, 2010
SECURED LOANS		
Working Capital Loan from Banks	58,043.18	48,819.76
Secured by		
a. Fixed Deposit		
b. Hypothecation of Stock in Trade and Book Debts		
c. Hypothecation of Premises at Mumbai and Surat		
d. Guaranteed by some of the Directors in their personal capacity		
All loans are repayable within one year		
Term Loan from Banks	2,954.28	3,433.99
Secured by		
a. Fixed Deposits		
b. First charge on windmill, all related equipments, systems & accessories at Kerala & Tamil Nadu		
c. Equitable mortgage of the land covered under the windmill project at Kerala & Tamil Nadu		
Loan repayable within one Year Rs. 581.71 Lacs (Rs.581.71 Lacs)		
A	60,997.46	52,253.75
UNSECURED LOANS		
Loan from Directors	4,524.00	4,057.90
Other Loans	733.92	733.34
B	5,257.92	4,791.24
A+B	66,255.38	57,044.99

SCHEDULE D - FIXED ASSETS

(Rs. in lacs)

	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
Description of Assets	As at April 1, 2010	Additions	Deduction	As at March 31, 2011	As at April 1, 2010	For the year	Deductions	As at Mar 31, 2011	As at Mar 31, 2011	As at Mar 31, 2010
Land	774.81	-	-	774.81	-	-	-	-	774.81	774.81
Office Premises	3,290.88	27.44	-	3,318.32	264.77	80.70	-	345.47	2,972.85	3,025.11
Factory Premises	1,006.08	470.97	-	1,477.05	125.87	21.96	-	147.83	1,329.22	880.21
Plant & Machinery	11,176.95	909.01	8.45	12,077.51	1,797.87	607.07	0.07	2,404.87	9,672.64	9,379.08
Vehicles	306.88	41.54	5.16	343.26	98.29	29.76	1.89	126.16	217.10	208.59
Furniture & Fixtures	568.91	334.82	-	903.73	211.76	40.44	-	252.20	651.53	357.15
CURRENT YEAR	17,124.51	1,783.78	13.61	18,894.68	2,499.56	779.93	1.96	3,276.53	15,618.15	14,624.95
PREVIOUS YEAR	17,744.47	438.67	1,058.63	17,124.51	2,317.07	821.91	639.42	2,499.56	14,624.95	15,427.39

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE E - INVESTMENTS

(Rs. in lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Long Term Investments:				
Unquoted:				
In Shares				
Krishana Sagar Builders Ltd. Nil (40,000) Shares of Rs.10 each.	-		100.00	
		-		100.00
Current Investments:				
Quoted:				
In Shares				
Classic Diamonds (India) Ltd. 5,000 (5,000) Shares of Rs. 2 each	4.65		4.65	
Flawless Diamond (India) Ltd. 100 (100) Shares of Rs. 10 each	0.01		0.01	
Gitanjali Gems Ltd. 1,000 (1,000) Shares of Rs. 10 each	2.21		2.21	
Goldiam International Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.97		0.97	
Golkunda Diamond & Jewellery Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
Parekh Platinum Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
Rajesh Exports Ltd. 600 (600) Shares of Re. 1 each	0.52		0.52	
S.B. & T International Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
Shantivijay Jewels Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
Shrenuj & Co Ltd. 1,000 (1,000) Shares of Rs. 2 each	0.45		0.45	
Suashish Diamonds Ltd. Nil (1,000) Shares of Rs. 10 each	-		1.86	
Va-Tech Wabag Ltd. 226 (Nil) Shares of Rs. 10 each	2.96		-	
Su-Raj Diamonds & Jewellery Ltd. 1,000 (1,000) Shares of Rs. 10 each	0.57		0.57	
Vaibhav Gems Ltd. 10 (10) Shares of Rs. 10 each	0.03		0.03	
Zodia JRD MKJ Ltd. 10 (10) Shares of Rs. 10 each	0.01		0.01	
A	12.42		11.32	

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE E - INVESTMENTS CONTD...

(Rs. in lacs)

	MARCH 31, 2011		MARCH 31, 2010	
In Mutual Funds				
JM Agri & Infra Fund 2,50,000 (2,50,000) units of Rs.10 each	25.00		25.00	
JM Basic Fund 84,555 (84,555) units of Rs.10 each	25.00		25.00	
JP Morgan India EQ Fund 1,76,267 (1,76,267) units of Rs.10 each	25.00		25.00	
Reliance Diver.Pow.Sec Fund 47,975 (47,975) units of Rs.10 each	25.00		25.00	
Reliance Media & Ent Fund 63,081 (63,081) units of Rs.10 each	25.00		25.00	
Reliance Vision Fund 39,708 (39,708) units of Rs.10 each	25.00		25.00	
B	150.00		150.00	
Total	162.42		161.32	
Less :Diminution in Market Value of Current Investments	(66.49)		(61.74)	
Market Value (Current Year Rs. 95.93 Lacs) (Previous Year Rs. 99.58 Lacs)		95.93		99.58
		95.93		199.58

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE F - CURRENT ASSETS, LOANS AND ADVANCES

(Rs. in lacs)

	MARCH 31, 2011		MARCH 31, 2010	
CURRENT ASSETS				
Inventories				
(As Verified, Valued and Certified by a Director)				
Raw Materials	20,037.41		18,696.06	
Work In Progress	2,569.77		2,020.26	
Finished Goods	12,022.41		10,938.62	
Consumables	17.02		4.94	
Silver Stock	30.57		11.99	
		34,677.18		31,671.87
Sundry Debtors				
(Unsecured)				
For a period more than six months				
Considered Good	1,811.38		2,230.73	
Considered Doubtful	18.81		196.84	
	1,830.19		2,427.57	
Others				
Considered Good	49,733.24		40,299.89	
	49,733.24		40,299.89	
Less: Provision for Doubtful Debts	18.81		196.84	
		51,544.62		42,530.62
Cash and Bank Balances				
Cash on Hand	63.23		43.27	
Balances with Scheduled Bank				
In Current Accounts	2,506.83		1,737.06	
In Fixed Deposits	7,226.61		6,671.27	
		9,796.67		8,451.60
LOANS AND ADVANCES				
(Unsecured, Considered Good)				
Advances for Capital Goods	50.25		106.36	
Advance Income Tax	3,193.75		2,331.75	
Advance recoverable in cash or kind for value to be received	6,479.30		9,530.95	
	9,723.30		11,969.06	
Deposits				
For Office Premises	182.36		177.86	
With Others	89.96		73.21	
	272.32		251.07	
		9,995.62		12,220.13
		1,06,014.09		94,874.22

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011**SCHEDULE G - CURRENT LIABILITIES AND PROVISIONS**

(Rs. in lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Current Liabilities				
Creditors for Goods	9,277.03		11,671.47	
Creditors for Processing	1,063.52		1,000.73	
Creditors for Others	485.72		399.48	
		10,826.27		13,071.68
Creditors for Capial Goods		64.12		69.70
Temparary Overdraft		0.38		15.70
Unclaimed Dividend *		0.18		0.14
		10,890.95		13,157.22
Provisions				
Proposed Dividend	213.42		213.42	
Tax on Dividend	34.62		35.45	
Taxation	3,361.19		2,181.86	
		3,609.23		2,430.73
		14,500.18		15,587.95

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

SCHEDULE H - SALES & SERVICES

(Rs. in lacs)

	MARCH 31, 2011	MARCH 31, 2010
Sales - Diamonds	1,46,605.60	1,32,782.23
Sales - Jewellery	19,272.96	12,998.09
Sales of Mounting etc.	-	16.80
Sales of Power -Windmill	693.89	791.82
Jewellery Making Charges	160.19	112.80
	1,66,732.64	1,46,701.74

SCHEDULE I - OTHER INCOME

(Rs. in lacs)

	MARCH 31, 2011	MARCH 31, 2010
Dividend Received	3.12	2.98
Profit / (Loss) on Sale of Shares	(89.42)	-
Miscellaneous Receipts	3.83	95.76
	(82.47)	98.74

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE J - MATERIAL COST

(Rs. in lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Raw Material				
Stock at the Commencement	18,767.04		9,801.03	
Purchases during the year	1,28,418.91		1,21,745.42	
	1,47,185.95		1,31,546.45	
Less : Stock at the Close	20,067.99	1,27,117.96	19,665.31	1,11,881.14
Variation in Stock of Work In Progress				
Stock at the Commencement	2,020.26		1,242.40	
Less: Stock at the Close	2,569.77		2,736.76	
		(549.51)		(1,494.36)
Variation in Stock of Finished Goods				
Stock at the Commencement	10,879.64		19,346.99	
Less: Stock at the Close	12,022.41		11,861.51	
		(1,142.77)		7,485.48
		1,25,425.68		1,17,872.26

SCHEDULE K - MANUFACTURING & OTHER EXPENSES

(Rs. in lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Manufacturing Expenses				
Processing Expenses	7,305.01		5,676.56	
Wages	307.64		220.03	
Contribution to E.S.I.C.	8.60		5.82	
Contribution to Provident Fund	17.87		13.57	
Electricity, Power & fuel	270.20		217.94	
Factory Expenses	55.99		63.33	
Consumables	235.50		191.52	
		8,200.81		6,388.77
Employee's Emoluments				
Salary & Bonus	1,347.36		1,015.60	
Director's Remuneration	87.00		87.00	
Gratuity	78.44		39.13	
Ex Gratia & Leave Encashment	78.25		45.03	
Labour Welfare Fund Expenses	0.54		0.47	
Contribution to Provident Fund	62.04		53.28	
Group Insurance	39.06		18.70	
Contribution to E.S.I.C.	19.37		11.83	
Staff Welfare Expenses	14.16		12.06	
		1,726.22		1,283.10
Administrative Expenses				
Bank Comission & Charges	147.45		165.09	
Electrical Charges	107.72		111.84	
Telephone and Fax Charges	67.47		59.00	
Local Travelling and Conveyance	64.36		52.71	
Legal & Professional fees	92.98		103.12	
Audit Fees	6.12		6.16	
Printing & Stationery	36.62		27.35	
Repairs & Maintenance (Other)	89.24		63.93	
Repairs & Maintenance (Building)	4.72		2.24	
Repairs & Maintenance (Plant & Machinery)	72.13		26.24	
Repairs & Maintenance (Windmill)	151.50		134.12	
Postage and Courier	26.78		23.01	
Motor Car Expenses	28.66		26.72	
Provision for Doubtful Debts	18.81		196.84	

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE K - MANUFACTURING & OTHER EXPENSES CONTD...

(Rs. in lacs)

	MARCH 31, 2011		MARCH 31, 2010	
Bad Debts	209.98		-	
Provision for Doubtful Debts Written Back	(196.84)		-	
Insurance Premium	168.33		174.00	
Rent & Compensation	183.16		167.87	
Donation	98.35		58.45	
Office Canteen Expenses	89.54		62.48	
Office Expenses	19.53		13.56	
Director's Sitting Fees	1.36		1.50	
Sundry Expenses	81.87		66.55	
Security Charges	40.95		32.10	
Loss on Sale of Assets	1.22		12.14	
Exchange Loss(Gain) on Consolidation	(15.24)		(87.63)	
Registration & Filing Charges	1.28		2.93	
Wealth Tax	1.35		1.45	
Membership and Subscription	2.47		6.22	
Diminution in Market Value of Current Investments	4.74		(44.61)	
		1,606.61		1,465.38
Selling & Distribution Expenses				
Advertisement	43.64		39.74	
Sales Expenses	79.22		65.18	
Entertainment Expenses	15.88		9.21	
Foreign / Local Travelling	98.35		71.31	
Commission on Sales	145.93		152.80	
Re-Assortment Charges	15.03		6.00	
Freight & Clearing Charges	114.39		102.20	
Agency Charges	10.12		12.02	
E.C.G.C. Premium	63.54		63.98	
Diamond Grading Charges	192.13		186.76	
Packing Expenses	14.25		9.37	
		792.48		718.57
		12,326.12		9,855.82

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

SCHEDULE L

NOTES annexed to and forming part of the Consolidated Balance Sheet as at 31st March, 2011 and Consolidated Profit & Loss Account for the year ended on that date.

I-SIGNIFICANT ACCOUNTING POLICIES

A. Basis for Preparation of Financial Statements

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

B. Sales

Income from the sale of diamond / jewellery is recognised when the sale has been completed with the passing of the title. Income from sale of wind energy is recognised on its transmission and delivery.

C. Other Income

Interest

Interest income is recognised on accrual basis.

Income from Investments

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

D. Depreciation

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

E. Impairment of Assets

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

F. Foreign Currency Transactions

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

F.2 Monetary items denominated in foreign currencies at the year end are translated at year end exchange rate.

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

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

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

G. Fixed Assets

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

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

H. Capital Work in Progress

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

I. Borrowing Costs

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

J. Investment

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

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

K. Inventories

K.1 Stock of raw materials is stated at weighted average cost or net realizable value whichever is lower except for Stock of platinum, colour stones and gold mounting at Asian Star Jewels Pvt. Ltd. which is valued at average cost. Stock of polished diamonds (for jewellery operations) is valued at technically evaluated cost or net realizable value whichever is lower. Specific items of cost are allocated and assigned to inventory wherever practicable.

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

K.3 Consumables are valued at average cost.

L. Employee Benefits

L.1. Short term Employee benefit

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

L.2. Long Term Employee Benefit

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

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

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

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

M. Taxation

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

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011**N. Preliminary Expenses**

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

O. Provisions, Contingent Liabilities and Contingent Assets

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

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

Name of Subsidiary	Country of Incorporation	Percentage of ownership (Previous Year)
1) Asian Star Co. Ltd.	USA	100 (100)
2) Inter Gems DMCC	UAE	100 (100)
3) Asian Star Jewels Pvt. Ltd.	India	100 (100)

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

(iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised 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.

(v) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

II-NOTES FORMING PART OF THE ACCOUNTS

- Surplus / (Deficit) on account of exchange difference on outstanding forward exchange contracts to be recognised in Profit and Loss Account of subsequent accounting period aggregate to Rs. 798.96 lacs. (For F.Y. 2009-10 it was Rs. 459.37 lacs).
- Derivative Instruments:**
 - Derivative contracts entered into and outstanding as on 31st March, 2011.
 - For hedging currency related risk:
Forward / option contracts (net) for sales entered into and outstanding as on 31st March, 2011 amount to Rs. 545.44 crores (for F.Y.2009-10 forward / option contracts (net) for purchase was Rs. 2,861.65 crores)
 - For Hedging commodity related risk:
Forward contracts for Gold entered into by the Company and outstanding as on 31st March, 2011 covers 124 Kgs. (For F.Y.2009-2010 it was 139 Kgs.).
 - Foreign currency exposure that are not hedged by the derivative instruments as on 31st March, 2011, amount to Rs. Nil (for F.Y.2009-10 it was Rs. Nil).

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

3. 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, 2011	As at 31st March, 2010
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act.	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

4. **Deferred Tax Liability**

Break up of Deferred Tax Liability as on 31st March, 2011 is as given below:

(Rs. in Lacs)

Particulars		
Deferred Tax Liability as on 1.4.2010	2,622.94	
Add:		
Provision for Deferred Tax made during the year arising on account of timing difference in Depreciation	12.55	
Provision for Doubtful Debts Written Back	65.39	
Deferred Tax liability as on 31.03.2011		2,700.88
Less:		
Deferred Tax Asset as on 01.4.2010	124.48	
Provision for diminution in market value of current investments	1.57	
Provision for Doubtful Debts	6.25	
Gratuity Liability – Current year	17.66	
Deferred Tax Assets as on 31.03.2011		149.97
Deferred Tax Liability (Net) as on 31.3.2011		2,550.91

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

a) **Defined Contribution Plan**

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

(Rs. in Lacs)

Particulars	
Employers Contribution to Provident Fund & Family Pension Fund	79.91
Employers Contribution to Employees State Insurance Scheme	27.97
Employers Contribution to Labour Welfare Fund	0.60

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011**b) Defined Benefit Plan:**

Defined benefits plan as per actuarial valuation as on 31st March, 2011 and recognised in the financial statement in respect of Employee Benefits Scheme (excluding Asian Star Jewels Private Limited):

(Rs. in Lacs)

Disclosure under AS 15 (Revised) Employee Benefits:	Gratuity (Funded)
I) Change in defined benefits obligation as at 31st March, 2011	
a) Present value of the obligation as at the beginning of the year	217.50
b) Current Service Cost	24.32
c) Interest Cost	18.99
d) Benefit Paid	(9.00)
e) Actuarial Loss on obligation	49.92
f) Present value of obligation as at the end of the year	301.73
II) Change in fair value of plan assets	
a) Present value of the plan assets at the beginning of the year	167.41
b) Expected return on plan Assets	14.94
c) Contribution	23.84
d) Benefit Paid	(9.00)
e) Actuarial gain/(loss) on plan assets	1.28
f) Present value of plan asset at the end of the year	198.47
g) Actual return on plan assets	16.21
III) Component of Employee Cost recognised in Profit & Loss Account	
a) Interest Cost	18.99
b) Current Service Cost	24.32
c) Expected return on plan Assets	(14.94)
d) Actuarial (gain)/loss	48.64
e) Expenses recognised in Profit & Loss A/c	77.01
IV) Reconciliation of Present value of obligation and fair value of Plan assets	
a) Present value of obligation at the end of the year	301.73
b) Fair Value of Plan Assets at the end of the year	198.47
c) Difference	(103.26)
d) Amount recognised in the Balance Sheet	(103.26)
V) Actuarial Assumptions	(%)
a) Discount Rate	8.25
b) Expected rate of return on assets	8.00
c) Future salary escalation	5.00
d) Attrition rate	2.00

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011

6. Segment reporting

(Rs. in Lacs)

Particulars	2010-2011	2009-2010
Description		
1. Segment – Revenue		
Diamond	1,54,939.58	1,37,762.75
Jewellery	19,433.15	13,127.69
Others	606.68	935.17
Total	1,74,979.41	1,51,825.61
Less: Inter Segment Revenue/ Transfer	8,333.98	4,980.52
Net Sales / Revenue	1,66,645.43	1,46,845.09
2. Segment Results		
Profit/(Loss) before Tax and Interest from each segment		
Diamond	5,353.92	4,940.97
Jewellery	1,316.69	1,003.68
Others	78.48	388.64
Total	6,749.09	6,333.29
Less:		
i)Interest	1,732.66	2,409.01
ii)Other un – allocable expenses	-	-
Total Profit before Tax	5,016.43	3,924.28
3. Capital Employed		
Diamond	32,601.91	30,094.85
Jewellery	2,730.45	1,956.42
Others	3,150.86	2,929.42
Unallocated net assets	-	-
Total Capital Employed	38,483.22	34,980.69

- (a) As per Accounting Standard on Segment Reporting (AS-17), issued by the Institute of Chartered Accountant of India, the company has reported segments information on consolidated basis including business conducted by its subsidiaries.
- (b) The Company now recognizes two reportable business segments viz. Cut and Polished Diamonds and Jewellery. The business which is not reportable during the year, has been grouped under 'Others' Segment, this comprises Wind Energy generation.
- (c) Consolidated profit before tax and interest for the year ended 31.03.2011 for Jewellery Segment includes minority interest Rs. Nil. (for F.Y. 2009-10 it was profit of Rs. 63.17 lacs.)

SCHEDULES 'A' to 'K' Annexed to and Forming Part of The Accounts for the year ended March 31, 2011**7. Financial Information of Subsidiary Companies**

	Asian Star Co. Ltd. N.Y.		Inter Gems DMCC		Asian Star Jewels Pvt. Ltd.
Reporting Currency	USD		USD		Rs.
	(USD in Lacs)	(Rs. in Lacs)	(USD in Lacs)	(Rs. in Lacs)	(Rs.in Lacs)
Capital	5.00	223.25	0.54	24.33	100.00
Reserves	0.30	13.36	33.35	1,429.57	205.22
Total Assets	84.78	3,785.27	179.73	7,965.28	2,495.19
Total Liabilities	84.78	3,785.27	179.73	7,965.28	2,495.19
Investments	-	-	-	-	-
Turnover/Total Income	209.04	9,530.28	370.99	16,913.59	3,179.74
Profit Before Taxation	0.28	12.88	22.83	1,040.89	205.22
Provision for Taxation	0.15	6.99	-	-	-
Profit After Taxation	0.13	5.89	22.83	1,040.89	205.22
Proposed Dividend	-	-	-	-	-
Country	U.S.A		U.A.E		India

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

As per our report of even date

FOR V. A. PARIKH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

JINESH J. SHAH
Partner
Membership No. 111155

SANGEETHA SHESHADRI
Company Secretary

DINESH T. SHAH
Chairman

VIPUL P. SHAH
CEO & Managing Director

Place : Mumbai
Dated : May 30, 2011

Place : Mumbai
Dated : May 30, 2011

CORPORATE INFORMATION

Board of Directors

Dinesh T. Shah
Chairman

Vipul P. Shah
CEO & Managing Director

Dharmesh D. Shah
CFO & Jt. Managing Director

Arvind T. Shah
Executive Director

Priyanshu A. Shah
Executive Director

Bhupendra K. Shroff
Director

K. Mohanram Pai
Director

Apurva R. Shah
Director

Hasmukh B. Gandhi
Director

Milind H. Gandhi
Director

Company Secretary

Sangeetha Sheshadri

Auditors

V.A. Parikh & Associates
Chartered Accountants

Registered Office

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

Subsidiary Companies

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

Inter Gems DMCC
Dubai, U.A.E.

Asian Star Jewels Private Ltd.
Mumbai, India.

Asian Star Trading (Hong Kong) Limited
Hong Kong

Bankers

Bank of India

Canara Bank

Corporation Bank

State Bank of Hyderabad

Central Bank of India

HDFC Bank

Syndicate Bank

State Bank of Patiala

State Bank of Indore

ING Vysya Bank Ltd.

State Bank of Travancore

Andhra Bank

Bank of Baroda

Bank of Maharashtra

Standard Chartered Bank

Axis Bank

Allahabad Bank

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.



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

www.asianstarco.com