



**MINI DIAMONDS
(INDIA) LTD.**

27th Annual Report

2013-2014



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF **MINI DIAMONDS (INDIA) LIMITED** WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 7-A NUSSAR HOUSE, GROUND FLOOR, OPP. PANCHRATNA BLDG, OPERAHOUSE, MUMBAI – 400004, TUESDAY, 30TH SEPTEMBER, 2014 AT 10:00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2014, Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To appoint a Director in place of Mr. Dilip Jaswant Shah (DIN 01114643) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorize Board to fix their remuneration.

“**RESOLVED THAT** pursuant to the provisions of the Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, M/s. V.A.Parikh., Chartered Accountants, bearing Membership Number 112787W, who hold office up to the date of this Annual General Meeting but, being eligible, offer themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company to hold the office for a period of three years i.e. from conclusion of Twenty Seventh Annual General Meeting until conclusion of Thirtieth Annual General Meeting of the Company subject to ratification in every Annual General Meeting at such remuneration plus service tax, out of pocket and travelling expenses, etc; as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT M/s. V.A. Parikh & Associates, Chartered Accountants, have given their consent for an appointment and a certificate of eligibility under Section 139(1) of the Companies Act, 2013.

RESOLVED FURTHER THAT any director of the Company be and are hereby authorized, jointly and/or severally to take all steps as are necessary and to do all such acts, deeds and things as may be considered necessary and incidental to give effect to this resolution.”

Special Business:

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

“**RESOLVED THAT** Pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. Samay Koradia (DIN 02289185), who was appointed as a Director liable to retire by rotation and whose term expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for the term upto 31st March, 2019, not liable to retire by rotation.”
5. To consider and if thought fit, to pass the following resolution with or without modification(s) as **Ordinary Resolution:**

“**RESOLVED THAT** Pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Sameep Shah (DIN 03612898), who was appointed as a Director liable to retire by rotation and whose term expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for the term upto 31st March, 2019, not liable to retire by rotation.”



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

“**RESOLVED THAT** pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Mihika Shah (DIN 06726081), who was appointed as a Director liable to retire by rotation and whose term expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for the term upto 31st March, 2019, not liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof (hereinafter referred to as the “Act”) and rules made thereunder, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which expression shall be deemed to include any Committee/s thereof), for borrowing any sum or sums of money, from time to time, from any one or more of the Company’s bankers and/or from any one or more other persons including firms, bodies corporate or financial institutions, whether in India or abroad and whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or in any other way and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets, licences and properties, whether immovable or movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertaking of the Company, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, so that the total amount upto which the monies may be borrowed by the Board and outstanding at any point of time shall not exceed a sum of Rs. 10,00,00,000/- (Rupees Ten Crore only) and that all earlier borrowings made by the Company be and are hereby ratified by the members in terms of provisions of section 180(1)(c) of the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof (hereinafter referred to as the “Act”) and rules made thereunder, consent of the Members of the Company be and is hereby accorded to the Board to mortgage and/or create charge in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or on the whole or any part of the undertaking(s) of the Company together with the power to take over the management of business and concern of the Company in certain events of default, in favour of the lender(s), agent(s) and trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency), convertible / non-convertible securities (including fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company and any other credit facilities upto the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses including any increase as a result of devaluation/ revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or other Agreements or any other document entered into/to be entered into between the Company and the lender(s)/investor(s)/agent(s) and/or trustee(s) in respect of the said loans/borrowings/debentures and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lender(s), agent(s) and/or trustee(s);

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Director or any other Officer(s) of the Company to give effect to this resolution.”



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

RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any Statutory modification(s) or re-enactment thereof for the time being in force), in compliance with Article 140 and 142 of the Articles of Association of the Company and approval by the Board of Directors at a duly convened meeting, the consent of the members of the Company is hereby accorded for the re-appointment of Mr. Upendra Shah, as Chairman and Managing Director of the Company with effect from 01st January, 2014 on terms and conditions including remuneration as set out in Clauses A to I below:

- A. Period of Appointment** : Two years with effect from date 01st January, 2014 to 31st December, 2015
- B. Salary** : 35000/-per month
- C. Perquisites** : Restricted to an amount equal to Annual Salary
- D. Gratuity** : At the rate not exceeding half month's salary for each completed year of service in accordance with the rules and regulations of the company
- E. Medical Reimbursement**: Expenses incurred for the Chairman and the Managing Director subject to a ceiling of one month's salary in a year or as applicable under the Income Tax Act, 1961
- G.** The Company's contribution to Provident fund, Supperannuation Fund or Annuity fund, if any, paid to the Chairman & Managing Director will be in accordance with the rules and regulation of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- H. Minimum Remuneration**: Where in any financial year during the continuation of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, Mr. Upendra Shah shall be entitled to receive above remuneration including perquisites, commission/performance pay, etc. as minimum remuneration subject to the provision of Section 197 read with Schedule V to the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.
- I. Termination**: The appointment is liable for termination by either party by giving 3 month's notice in writing to the other party.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure as a Managing Director, the Company is required to obtain the Central Government's approval under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Mr. Upendra Shah under the provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

RESOLVED FURTHER THAT on receipt of the approval of the Central Government, the amount of remuneration on the terms as approved by the Central Government, as reduced by such amount of the Remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. Upendra Shah, Managing Director in lump sum and that after the date of the approval, Mr. Upendra Shah be paid the remuneration as per the terms and conditions approved by the Central Government.

RESOLVED FURTHER THAT the terms and conditions of the appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 and subject to such other modifications/ amendments made there under.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company(hereinafter referred to as "the Board" which term shall be deemed to include any duly constituted and authorized committee thereof, for the time being, exercising the powers conferred by the Board through passing of the resolution) be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute



discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by Central Government from time to time.

Place : Mumbai

Date : 06.09.2014

By order of the Board

Sd/-

Upendra N. Shah

Chairman & Managing Director

Registered Office :

7-A, Nusser House, Ground Floor,
Opp. Panchratna Building,
Opera House, Mumbai - 400 004.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 2013, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000.
2. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting in annexed hereto.
4. Members/Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
5. In case of joint registered holders the vote of the first named of such joint holders who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2014 to September 30, 2014 (both days inclusive) for the purpose of Annual General Meeting.
8. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed Form 2B to the Registrar & Transfer Agents of the Company.
9. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
10. A Statement pursuant to section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
11. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
12. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
13. Members are requested to bring their copy of Annual Report to the Meeting.
14. All documents referred to in the notice and explanatory statement are open for inspection at the registered office of the Company between 10.00 a.m. to 1.00 p.m. on all working days upto the date of the meeting.



15. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updations of savings bank account to their respective Depository Participants.
16. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s Purva Sharegistry (India) Private Limited, Purva Sharegistry (India) Pvt. Ltd, Unit no. 9, Shiv Shakti Ind. Estt, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai 400 011 . Tel No: 22-2301 6761 / 8261, Fax No.: 22-2301 2517
17. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.
18. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.
19. Particulars of the dividend transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended March 31, 2014 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

Sr. No.	Date of Declaration of Dividend	Dividend for the Financial Year	Amount transferred to Investor Education & Protection Fund (Rs.)	Date of transfer to Investor Education & Protection Fund
Nil	Nil	Nil	Nil	Nil

20. The Shares of the Company are listed at the Bombay Stock Exchange, Mumbai, Phiroze Jeejeeboy Towers, Dalal Street, Mumbai – 400 001. The Listing fees have been paid in time for the year ended March 31st, 2014.

21. E- voting:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with the facility to exercise their right to vote at the Twenty Seventh Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The Company has signed an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.

Process for E –Voting –

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

In case of members receiving e-mail:

- i. Log on to the e-voting website www.evotingindia.com;
- ii. Click on “Shareholders” tab;
- iii. Now, select the “Mini Diamonds (India) Limited” from the drop down menu and click on “SUBMIT”;
- iv. Now Enter your User ID ;
 - a) For CDSL: 16 digits beneficiary ID;
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.



- v. Next enter the Image Verification as displayed and Click on Login;
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used;
- vii. If you are a first time user follow the steps given below

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>

- viii. After entering these details appropriately, click on "SUBMIT" tab;
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- xi. Click on the EVSN on which you choose to vote;
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution;
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details;
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote;
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates;
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com;
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on;
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote;
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) Above to cast vote.

- xviii. The voting period begins from 4.00 p.m. on Thursday, 25th September, 2014 and ends at 06.00 p.m. on Friday, 26th September, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 05th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- xx. Mr. Pramod S. Shah of M/s. Pramod S. Shah & Associates, Practicing Company Secretaries has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company;

The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s report shall be published on the Company’s website minidiamonds.net and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 06.09.2014

Sd/-
Upendra N. Shah
Chairman & Managing Director



INFORMATION UNDER CLAUSE 49 (IV)(G)(I) AND CLAUSE 49 (IV)(E)(V) OF THE LISTING AGREEMENT REGARDING RE - APPOINTMENT OF DIRECTORS:

1. Mr. Dilip Jaswant Shah (DIN 01114643) has been in this company for financial purposes and bank loans.
Shareholding of Mr. Dilip Jaswant Shah (both own or held by / for other persons on a beneficial basis) as on the date is Nil

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

Item No. 4

As required by Section 102(1) of the Companies Act, 2013,

Mr. Samay Koradia is an Independent Director of the Company and have held the position as such for more than 5(five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

It is proposed to appoint Mr. Samay Koradia as Independent Director under section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5(five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation.

Mr. Samay Koradia is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Samay Koradia for the office of Director of the Company.

The Company has also received declarations from Mr. Samay Koradia that he meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Samay Koradia fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Mr. Samay Koradia is independent of the Management.

(a) Samay Koradia is a non executive director in our company, and he is in every board meeting.

(b) He is in Diamond Field in last 5 years;

(c) He is a non executive directors in mini diamonds (india) ltd; and

(d) Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement

The Board accordingly recommends the resolutions to be passed as a Ordinary Resolution, set out as item no. 4 in the accompanying notice. Your approval is sought for the same.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution

Item No. 5

Mr. Sameep Shah is an Independent Director of the Company and have held the position as such for more than 5(five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

It is proposed to appoint Mr. Sameep Shah as Independent Director under section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5(five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation.



Mr. Sameep Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Sameep Shah for the office of Director of the Company.

The Company has also received declarations from Mr. Sameep Shah that he meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Sameep Shah fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Mr. Sameep Shah is independent of the Management.

- (a) Sameep Shah is a non executive director in mini diamonds (india) ltd.;**
- (b) He in in diamond field in last 5 year.;**
- (c) He is a Non Executive Director in mini diamonds (india) ltd; and**
- (d) Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement**

The Board accordingly recommends the resolutions to be passed as a Ordinary Resolution, set out as item no. 5 in the accompanying notice. Your approval is sought for the same.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution

Item No. 6

Mrs. Mihika Shah is an Independent Director of the Company and have held the position as such for more than 5(five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

It is proposed to appoint Mrs. Mihika Shah as Independent Director under section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5(five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation.

Mrs. Mihika Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Mihika Shah for the office of Director of the Company.

The Company has also received declarations from Mrs. Mihika Shah that he meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mrs. Mihika Shah fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Mrs. Mihika Shah is independent of the Management.

- (a) Mihika R Shah is a Non Executive Director in Mini Diamonds (India) Ltd;**
- (b) She is bcom and She is Non Executive Director in Mini Diamonds (India) Ltd;**
- (c) She is a non executive director in Mini Diamonds (India) Ltd; and**
- (d) Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement**

The Board accordingly recommends the resolutions to be passed as a Ordinary Resolution, set out as item no. 6 in the accompanying notice. Your approval is sought for the same.



None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution

Item No.7

Pursuant to the provisions of Sections 180(1)(c) and 180(1)(a) (notified on and effective from September 12, 2013) of the Companies Act, 2013 (the "Act") require approval of the members of the Company, by way of passing special resolution, to borrow money exceeding paid-up share capital and free reserves of the Company and to create security on the assets of the Company, respectively.

In view of the above, it is proposed to obtain approval of the members of the Company, by way of special resolution, with respect to the following:

- i. To borrow money exceeding paid-up share capital and free reserves upto the limit of Rs. 10 Crores; and
- ii. To create security on the assets of the Company upto the limit of Rs. 10 Crores.

Further the Company has made borrowings in order to meet urgent finance requirements of the business of the Company, the members are requested to ratify the same.

The Board recommends the special resolution as stated at Item No. 7 for approval by the members.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution

Item No. 8

At the Meeting of the Board of Directors held on 13th August, 2014, the directors of the Company approved the re-appointment of Mr. Upendra Shah as Managing Director for the period from 1st January, 2014 to 31st December, 2015.

- A. Period of Appointment :** 01/01/2014 to 31/12/2015
- B. Salary :** 35000/-per month
- C. Perquisites :** Restricted to an amount equal to Annual Salary
- D. Gratuity :** At the rate not exceeding half months salary for each completed year of service in accordance with the rules and regulations of the company
- E. Medical Reimbursement:**
Expenses incurred for the Chairman and the Managing Director subject to a ceiling of one month's salary in a year or as applicable under the Income Tax Act, 1961
- F.** The Company's contribution to Provident fund, Superannuation Fund or Annuity fund, if any, paid to the Chairman & Managing Director will be in accordance with the rules and regulation of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- G. Minimum Remuneration:** Where in any financial year during the continuation of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, Mr. Upendra Shah shall be entitled to receive above remuneration including perquisites, commission/performance pay, etc. as minimum remuneration subject to the provision of Section 197 read with Schedule V to the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.
- H. Termination:** The appointment is liable for termination by either party by giving 3 month's notice in writing to the other party.



The remuneration proposed to the members is in accordance with Section 196 and Section 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any Statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by the Remuneration Committee and Board of Directors at a duly convened meeting and is presented in the meeting for the approval of Shareholders of the Company by way of a Special Resolution.

The Company is not required to take the approval of Central Government for payment of the remuneration to the Managing Director as the Company would pay the remuneration within the limits as specified under Section 197 of the Companies Act, 2013 read with Schedule V, Part II, and Section II.

The Company has not made any default in repayment of any of its debts (including deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of re-appointment of Mr. Upendra Shah shall as the Managing Director of the Company.

The aforesaid revisions in the terms of re-appointment of Mr. Upendra Shah shall as Managing Director requires the approval of the Shareholders under Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The Board accordingly recommends the resolutions to be passed as a special resolution, set out as item no. 8 in the accompanying notice. Your approval is sought for the same.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

Place : Mumbai
Date : 06.09.2014

By order of the Board
Sd/-

Registered Office :
7-A, Nusser House, Ground Floor,
Opp. Panchratna Building,
Opera House, Mumbai - 400 004.

Upendra N. Shah
Chairman & Managing Director



DIRECTORS' REPORT

The Members of MINI DIAMONDS (INDIA) LIMITED

Your Directors have great pleasure in presenting the 27th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS:

PARTICULARS	2013 - 2014	2012 - 2013
Total Income from Sales	97,03,38,288.00	43,45,59,559.00
Less: Cost of Goods Sold	(93,33,03,864.00)	(41,81,25,193.00)
Other Income	4,07,803.00	4,435.00
Total Income	3,74,42,227.00	1,64,38,801.00
Less: Operating Expenditure	(2,51,92,091.00)	(83,17,332.00)
Less: Financial Expenses	(16,92,489.00)	(11,50,330.00)
Profit before Depreciation, Interest and Tax	1,05,57,647.00	69,71,139.00
Less: Depreciation	(12,94,881.00)	(9,35,587.00)
Less: Interest	(42,03,603.00)	(32,23,126.00)
Profit before Taxes	50,59,163.00	28,12,426.00
Less: Income Tax / Fringe Benefit Tax written off	-	-
Less: Interest on Income Tax	-	-
Less: Provision for Taxation-Current/earlier years (including FBT)	(15,66,105.00)	(10,26,977.00)
Net Profit for the year	(34,93,058.00)	17,85,449.00
Add: Balance brought forward from the Previous year	87,45,984.00	69,60,535.00
Balance carried to Balance Sheet	1,22,39,042.00	87,45,984.00

DIVIDEND:

Your Directors have not recommended any dividend for this financial year.

MANAGEMENT DISCUSSION AND ANALYSIS:

a) Industry Structure and Developments:

The Indian gems and jewellery industry has witnessed a marginal decline of 0.36% in FY 2013-2014 owing to the decrease in trading exports of diamonds. The total gem & jewellery industry exports were recorded at US\$ 42839 million (INR 204823 crores) in FY 2013-14 as compared to US\$ 42995 million (INR 195735 crores) in April 2012 – March 2013. Though in dollar terms there is a marginal drop of 0.36%, the exports mark an increase of 4.6% in rupee value. The gem & jewellery sector accounted for 14% of India's total merchandise exports in FY 2013-2014.

The growth in the sector was primarily driven by Gold Jewellery which registered an increase of 30% in FY '14. The exports grew from US\$ 12695 million (INR 57747.67 crores) in 2012-2013 to US\$ 16517 million (INR 79430.26 crores) in 2013-2014.

Cut and Polished Diamonds (CPD) witnessed a decline of 17.3% with exports decreasing from US\$ 28217 million in 2012-2013 to US\$ 23329 million in 2013-2014.

Coloured gemstone exports witnessed an increase of 9.10% in dollar terms with sector recording growth from US\$ 314.20 million in 2012-2013 to US\$ 342.80 million in 2013-2014.

UAE was the largest exporting destination with 44% of Exports to the market, followed by Hong Kong with 25% and USA with 12% of exports.



An increase in import figures of rough diamonds indicates stable growth of trade at the manufacturing level and growth in exports.

There has been a substantial decline in import of polished diamonds during January to March 2014 more than 70% in a month post introduction of 2% duty on C&PD. In the annual figure the decline is 30% in 2013-2014 in comparison to previous year. It is expected that the total import of polished diamonds at US\$14.3 bn in 2013-2014 may eventually come down significantly in 2013-14.

b) Opportunities and Threats:

(i) Opportunities:

The jewellery industry is growing at a whopping rate with the boom in the domestic and exports of Indian jewellery, the shining materials of India brings more sparkle to the economy. Gems and jewellery export stands the second major foreign exchange earner for the country. India has many natural advantages to emerge as Gems & Jewellery hub of the world. India has the largest and the best artisan force for designing and crafting the jewellery in the world. There is considerable scope of value addition in terms of capacity building at the domestic front, quality management and professionalism.

India is the world's largest manufacturing centre for gems and jewellery and the Industry contributes over 12% to the total export earnings of the country and employs highly skilled 1.5 million workers. The gems and jewellery industry is a major exchange exchequer as major portion (around 80%) of its turn over was contributed by exports.

Diamonds contribute to nearly 80% of the entire turnover and of this industry and hence many times the terms 'gems and jewellery industry' and 'diamond industry' are used as synonyms.

(ii) Threats:

Although India currently enjoys dominance in the world's cut and polished diamonds market, China may emerge as a viable rival, if not in the near term, certainly in the longer term. An increasing number of diamond processors from Israel and Belgium, and even India, are setting up facilities in China for a variety of reasons, according to the report on the Indian gems and jewellery industry. The primary reasons for these are:

- (i) The labour force there, like in India, is cheap and disciplined.
- (ii) High economic growth in China over the past decade has resulted in a significant increase in potential consumers in the high – income segment within the country.
- (iii) Quality of workmanship and technological development (technical expertise) are the other areas where the Indian industry faces a threat from China.

c) Segment wise Performance:

The Company is in the business of Rough Diamonds and Polished Diamonds. The Company has two segments one is manufacturing and other is trading. The detailed reporting of segment wise performance of the Company is mentioned in point J Notes to Accounts of the Auditor's Report.

d) Future Outlook:

As industry survey stated, there has been a slowdown in the economy specially in the developed economies and it may continue for sometime due to demand contraction in the developed markets such as the US and the European Union,. However, very recent figures and increase in consumer confidence across globe have boosted the industry confidence and experts are hoping for quick revival of consumer demand and growth in industry. All India Gem and Jewellery Trade Federation (GJF) are targeting growth from US \$ 16.79 billion to US \$ 26.23 billion by the year 2014.

India possesses the world's most competitive gems and jewellery market due to its low cost of production and availability of skilled labour. As per the new research report "Indian Gems and Jewellery Market - Future Prospects to 2011", highly skilled and low cost manpower, along with strong government support in the form of incentives and establishment of SEZs, has been the major driver for the Indian gems and jewellery market. The market also plays a vital role in the Indian economy as it is a leading foreign exchange earner and accounts for more than 12% of India's total exports. Currently the Indian market remains highly fragmented, but is rapidly transforming into an organized sector.



The Indian Diamond Industry is witnessing a divergent trend in the demand for cut and polished diamonds and maintaining its Global Presence. The Jewellery Industry is also having its presence felt in the local as well as global market. The new Government and its economic policies will have an impact on the economic reforms and also on the Gem and Jewellery Industry. The Rupees / Dollar fluctuations is having a lot of impact on the performance of the industry and continues to do so in future also because the exports are linked to dollar. The overall demand in the world market is excellent but due to problems faced by the U.S. economy the demand will be sluggish until and unless there is improvement in the oil price. Revaluation of Yuan of China will have cost bearing effect in the labour market. This will open up the market for Indian Diamond and Jewellery and increase its presence. The cash flow of the company is very encouraging with the significant growth in terms of turnover as well as profitability. Currently, the industry is facing a slowdown due to global economic turmoil. But due to various government efforts and incentives coupled with private sector initiatives, the Indian gems and jewellery sector is expected to grow at a CAGR of around 14% from 2009 to 2012. At present, the Indian gems and jewellery market is dominated by the unorganized sector; however, the trend is set to change in near future with the branded jewellery market growing at an expected CAGR of more than 41% in the coming four years.

The outlook for the Industry and consequently for the Company during the current financial year is reasonably good, subject however, to the effects of prevailing disturbed scenario in the different parts of the world. The Company is putting a lot of efforts to strengthen its financial position by increasing its working capital so as to expand its operations and export business. In view of the demand for Cut and Polished Diamonds and Diamond Studded Jewellery there is a continuous, growth in diamond business. There is enough potential in the Indian and Overseas market for the Companies engaged in diamond trade and export. The Company's policy is to maintain goodwill in the market and flawless perfection at all levels. Customer's satisfaction is the top most priority.

e) Risk Management:

Risk is an important element of corporate functioning and governance. Your Company has established the process of identifying, analyzing and treating risks, which could prevent the Company from effectively achieving its objectives. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management Process.

f) Internal Control Systems:

The Company has designed an effective Internal Control System to balance the financial, operational, compliance and other risks and explore its business opportunities at the fullest to achieve its desired objectives.

g) Financial performance with respect to operational performance:

The turnover of the Company has increased to INR 97,03,38,288/- as compared to INR 43,45,59,559/- in the previous year. Despite the global recession affecting the domestic market as well, the Company has established itself in the local market with an increasing sale.

h) Human Resources:

People are the most valued assets of the Company. They work individually and collectively contributing to the achievement of the objectives of the business. The relation between the employees and the Company remained cordial throughout the year. Your Company's corporate culture and the vision and values help unite the workforce and provide standards for how your Company conducts the business.

i) Code of Conduct:

The Board of Directors has prescribed norms of ethical practices and code of conduct for the Directors of the Company. The Code of Conduct of the Company lays down the principles, values, standards and rules of behavior that guide the decisions, procedures and systems of the Company in a way that (a) it contributes to the welfare of its stakeholders, and (b) respects the rights of all constituents affected by its operations. The Code of Conduct is reviewed from time to time by the Board.

CORPORATE GOVERNANCE:

Report on Corporate Governance is furnished as a part of the Directors' Report and forms part of this report. Certificate from Practicing Company Secretaries regarding compliance is annexed hereto and forms part of this report.



DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- a. that in the preparation of the Annual Accounts for the year ended March 31, 2014; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b. 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 at the end of the financial year ended March 31, 2014 and of the profit of the Company for the said year.
- c. 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.
- d. that the Directors have prepared the Annual Accounts for the year ended March 31, 2014, on a going concern basis

FIXED DEPOSITS

In terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit Rules), 1975, the Company has not accepted fixed deposits during the year.

DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Dilip Jaswant Shah, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

STATUTORY AUDITORS:

M/s. V.A. Parikh & Associates, Chartered Accountants, Mumbai, Statutory Auditors of your Company (Firm Registration No. 111155), Mumbai, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, it is proposed to appoint M/s. V.A. Parikh & Associates, Chartered Accountants, Mumbai, Statutory Auditors of your Company (Firm Registration No. 111155) from the conclusion of the ensuing AGM till the conclusion of Thirtieth AGM to be held in the year 2017, subject to annual ratification by members at the Annual General Meeting.

The Auditors have confirmed that, their re-appointment, if made, would be in accordance with the Section 139 of the Companies Act, 2013 and the rules made thereunder and that they are not qualified in terms of Section 141 of the Act.

SECRETARIAL AUDITOR:

Pursuant to the provisions of the Section 179(3) and 204 of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 and as a measure of good corporate governance practice, the Board of Directors of the Company hereby appoint M/s. Pramod S. Shah & Associates (Membership No. 334), Practicing Company Secretaries as a Secretarial Auditors of the Company for the financial year 2014-2015 on such remuneration as may be decided by the Board in consultation with the Secretarial Auditor.

INTERNAL AUDITOR:

Pursuant to the provisions of Section 138 and 179(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Directors of the Company hereby appoint M/s. V.A. Parikh & Associates, Chartered Accountants (Membership No. 111155) as Internal Auditors of the Company for the financial year 2014-2015 on such remuneration as may be decided by the Board in consultation with the Internal Auditor.

COST AUDIT:

The Cost Audit under Section 233B of the Companies Act, 1956 is applicable to the Company for the Financial Year 2013-14 and accordingly M/s _____, were appointed as the Cost Auditor, for the said year.



COMMITTEES OF THE BOARD:

The details of the Committees of the Board including their composition are provided in the Corporate Governance Section of this Annual Report.

- **Nomination and Remuneration Committee – Companies Act 2013.**

Pursuant to the provisions of Section 178 of Companies Act, 2013, the Board of Directors of the Company has consented the change in nomenclature of existing Remuneration Committee to 'Nomination and Remuneration Committee' as provided under Companies Act, 2013 and has also approved the revised terms of reference of the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013 (effective from 01/04/2014).

As per the said terms of reference approved by the Board the Nomination and Remuneration Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the Director, KMP and other employees. The Company's policy on Directors appointment and remuneration and other specifications as mentioned above will be disclosed in the Boards' Report as provided under Section 134 (3) (e) once the same is formulated by the Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The provisions of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The total exports for the year 2013 – 2014 amounts to Rs. 26,01,34,461/-. Efforts are being made to develop new products keeping in view the international market which is sensitive to changing fashions.

PARTICULARS OF EMPLOYEES:

There are no such employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975 as amended by the Companies Amendment Act, 1988. Hence, no particulars of such employees are required to be appended to this report.

COMPANIES ACT, 2013:

The Companies Act, 2013 (the Act) is in force as on 1st April, 2014 (in the manner, to the extent notified by the Ministry of Corporate Affairs). The Act has replaced the Companies Act, 1956 and has brought a new set of compliances for companies.

The New Legislation will facilitate greater transparency, more disclosures and enhanced corporate governance. The Company is taking necessary steps for implementation of the provisions of the Act.

ACKNOWLEDGMENT:

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from all the shareholders, customers, suppliers, bankers, Government authorities and all other business associates and their confidence in the management. Your Directors also wish to place on record their appreciation for the contribution made by the employees.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 06.09.2014

Sd/-
Upendra N. Shah
Chairman & Managing Director

Registered Office :

7-A, Nusser House, Ground Floor,
Opp. Panchratna Building,
Opera House, Mumbai- 400 004



REPORT ON THE CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2013-2014 (As required under Clause 49 of the Listing Agreement with the Stock Exchanges in India)

1. THE COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY :

Corporate Governance means to steer an organization in the desired direction. It deals with laws, procedures, practices and implicit rules that determine a Company's ability to take informed managerial decisions vis-a-vis its claimants—in particular, its shareholders, creditors, customers, the State and employees. There is a global consensus about the objective of 'Good' Corporate Governance: maximizing long-term shareholder value."

MINI DIAMONDS (INDIA) LIMITED believes that Corporate Governance brings about equilibrium between the expectations of the owners, employees, customers and all other stakeholders. It builds continuing bonds with shareholders, employees, investors, depositors, borrowers, suppliers, customers and business constituents.

The Company believes that its fundamental objective is not mere fulfillment of the requirements of law but in ensuring commitment of the Board in managing the Company in a transparent manner for maximizing stakeholder value.

Securities and Exchange Board of India (SEBI) incorporated Clause 49 in the Listing Agreement in February 2000, as part of its endeavour to improve the standards of Corporate Governance in line with the needs of a dynamic market. As a Company, which believes in implementing and adopting best-in-class corporate governance policies, **MINI DIAMONDS (INDIA) LIMITED** has adopted practices mandated in the revised Clause 49 and has established procedures and systems to be fully compliant with it.

The Company aims at maximizing long-term value and shareholders' wealth and thus adheres to the ethics, value and morals of the Company and its Director.

Good governance is integral to the very existence of the Company. It seeks to achieve following objectives of the Company viz:

- A properly structured Board capable of taking independent and objective decisions;
- Adoption of transparent procedures and practices and to arrive at decisions on the strength of adequate information.
- To keep the shareholders informed of relevant developments impacting the Company.

Your Board of Directors presents the Corporate Governance Report for the year 2013-2014.

2. BOARD OF DIRECTORS:

a. Size and Composition of Board

The Board of Directors plays a pivotal role in ensuring good governance. Mini Diamonds (India) Limited has a balanced Board structure comprising adequate number of non-executive and independent directors who take care of the interest and well-being of all the stakeholders.

The composition of the Board and category of Directors are as follows:

Category	Name of the Director
Promoter Directors	Mr. Upendra N. Shah (Chairman & Managing Director) Mr. Himanshu K. Shah (Executive Director)
Executive Director	Mr. Dilip Shah
Independent and Non-Executive Director	Mr. Samay Koradia Mr. Sameep Shah Mrs. Mikhika Shah

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Clause 49 of the Listing Agreement. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence.



Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Independent Non Executive Directors receive sitting fees for attending the meeting of the Board and various Committees. They do not receive any remuneration apart from the sitting fees. The Board reviews the declaration made by the Executive Directors regarding compliance with all applicable laws on regular basis as also steps taken to remediate instances of non compliance.

The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings.

b. The names and categories of the Directors on the Board and the number of Directorships and Committee Chairmanship/ Memberships held by them in other Companies are given herein below:

Name of the Director	Category	No. of Directorships in other Companies ¹		No. of Membership / Chairmanship of other Board Committees ²	
		Public	Private	Member	Chairman
Mr. Upendra N. Shah	Promoter, Chairman & Managing Director	-	-	-	-
Mr. Himanshu K. Shah	Promoter & Executive Director	-	3	-	-
Mr. Sameep B. Shah	Independent Non-executive Director	-	-	-	-
Mr. Dilip Jaswant Shah	Executive Director	-	1	-	-
Mr. Samay Y. Koradia	Independent Non-executive Director	-	1	-	-
Ms Mihika Shah	Independent Non-executive Director	-	-	-	-

Notes

1. Excludes Directorship and Membership /Chairmanship in Mini Diamonds (India) Limited.
2. For the purpose of considering the limit of the committee memberships and chairmanships of a Director, the Audit Committee, Shareholders' Grievance Committee have been considered.

As per disclosure(s) received from the Directors, the Directors do not hold Memberships in more than 10 Committees and Chairmanship in more than 5 Committees.

c. Attendance at Board Meeting and Annual General Meeting :-

The Board meets at regular intervals to discuss and decide on company/ business policy and strategy apart from other normal Board business. The Board/ Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors to facilitate them to plan their schedules and to ensure meaningful participation in the meetings well in advance. However, in case of a special and urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the subsequent Board Meeting.

During the financial year 2013-2014, the Board held its meetings on 29th May 2013, 14th August 2013, 21st September 2013, 13th November 2013, 13th February 2014, and 15th March 2014. The time gap between any two Board Meetings did not exceed four months.

The details of Directors attendance at Board Meeting held during the Financial Year 2013-14 and the last AGM held on September 30th, 2013

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Upendra N. Shah	6	Present
Mr. Himanshu K. Shah	6	Present
Mr. Dilip J. Shah	6	Present
Mr. Samay Yogesh Koradia	6	Present
Ms. Mihika Bharat Shah	6	Present
Mr. Sameep B. Shah	6	Present



d. Responsibilities of Board:

The Board of Directors of the Company functions on the principle of majority or unanimity to eliminate biasness, partiality and favoritisms. The responsibilities of the Board are stated as under:

- 1) To act in the best interest of the Company;
- 2) To help the Company in building its goodwill;
- 3) To encourage compliances and disclosures;
- 4) To ensure that a proper system is established and followed which helps in resolving the grievances of the stakeholders;
- 5) To ensure that the Company discloses its policies to all the stakeholders;
- 6) To ensure that the Company has policies which encourage social activities on purely non – profitable basis.
- 7) To ensure that the Company's products are eco – friendly and comply with all the related norms.
- 8) To comply with all the laws applicable to it whether they are the central laws or state laws.
- 9) To ensure that true and full disclosure of all the transactions where there is an interest is made to the other members of the Board.
- 10) To enable the Board to take an independent, unbiased and objective decisions.

e. Functioning & Procedures of the Board:-

The Board has complete access to any information within the Company. At meetings of the Board, it welcomes the presence of Managers who can provide additional insights into the items being discussed.

The items placed at the Meeting of the Board include the following:-

- Unaudited quarterly/half yearly financial results and audited annual accounts of the Company including segment wise revenue, results and capital employed, for consideration and approval,
- Minutes of the meetings of the audit committee, shareholders grievance committee and remuneration committee if any,
- General notices of interest,
- Sale and/or purchase of investments, fixed assets,
- Review compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any,
- Related party transactions,
- Reviewing the financial and risk management policies of the Company,
- Reviewing the business plan and strategy of the Company.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial /business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The Minutes of the Board Meetings are circulated through email to all Directors and confirmed at the subsequent Board Meeting. The Minutes of the Audit committee and shareholders' grievance committee are also individually given to the Board of Directors and thereafter tabled for discussion at the subsequent Board Meeting.

3. COMMITTEES OF THE BOARD:

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters when required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Company has 3 (Three) Board-level Committees, namely:



- Audit Committee;
- Remuneration Committee;
- Shareholders' Grievance Committee;

AUDIT COMMITTEE:

The Audit Committee is inter-alia responsible for liaison with the management; auditors, reviewing the adequacy of internal control and compliance with significant policies and procedures, reporting to the Board on the key issues. To enable better and more focused attention on the affairs of the Company, the Board of Directors has constituted effective and efficient Audit Committee complying with the requirements of Clause 49 of the Listing Agreement.

a. Size and Composition:-

The Board of Directors constituted an Audit Committee of Directors having Mr. Sameep Shah, Non-Executive Independent Director, Mr. Samay Koradia, Non-Executive Independent Director and Mr. Himanshu K. Shah Promoter & Executive Director as members of the Committee.

The members of the Committee are well versed in finance/accounts, legal matters and general business practices.

b. Attendance at the Audit Committee Meetings:-

During the accounting year 2013 - 2014, five Audit Committee Meetings were held on 29th May 2013, 14th August 2013, 13th November 2013, 13th February 2013, 4th February, 2014.

Name of Directors	No. of Audit Committee Meetings attended
Mr. Sameep Shah	5
Mr. Samay Koradia	5
Mr. Himanshu K. Shah	5

c. Role of the Audit Committee:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
3. Reviewing, with the management, performance of statutory auditors, and adequacy of the internal control systems.
4. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions
 - (g) Qualifications in the draft audit report.



REMUNERATION COMMITTEE:

The Board has constituted remuneration committee to determine the remuneration packages for Directors/Chief Executive Officers after evaluating their performance taking into account their qualification, experience, contribution and the current industry benchmark.

Remuneration Policy:

The remuneration of Executive Directors is decided by the Board of Directors and the Remuneration Committee as per the remuneration policy of the Company within the overall ceiling limits approved by shareholders.

a) Composition of the Committee:

The Remuneration Committee comprises of Mr. Sameep Shah, Mr. Samay Koradia and Ms. Mihika Bharat Shah as a Non-Executive Independent Directors as Members of the Committee.

b) The functions of the Remuneration Committee include the following:

- a) To approve the Annual Remuneration Plan of the Company;
- b) To review and grant annual increments to Executive/Managing Director.
- c) Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

b) Attendance at the Remuneration Committee Meetings.

During the financial year 2013 – 14, No meeting of the Remuneration Committee was held.

c) Disclosure of Remuneration paid:

At present Independent and Non-executive Directors are not paid any remuneration except sitting fees for attending Board Meetings.

Details of remuneration paid to Directors during the accounting year ended March 31st, 2014 are as under:

Name of Directors	Salary (Amt. in Rs)	Sitting fees (Amt. in Total Amt. in Rs)	Total (Amt. in Rs)	Stock Option granted
Mr. Upendra N. Shah	35000	-	420000	-
Mr. Himanshu K. Shah	Nil	-	Nil	-
Mr. Dilip J. Shah	Nil	-	Nil	-
Mr. Samay Yogesh Koradia	-	-	-	-
Ms. Mihika Bharat Shah	-	-	-	-
Mr. Sameep B. Shah	-	-	-	-

Mr. Upendra N. Shah, Managing Director and Chairman were appointed w.e.f. 12th May, 1987 and the details of the remuneration during the accounting year ended March 31st, 2014 are given as under:

Name of Directors	Fixed Salary	Perquisite	Performance linked Incentive	Sitting Fees	Total	Service Contract / Notice Period	Stock Option granted, if any
Mr. Upendra N. Shah	35,000/- per month.	Restricted to an amount equal to the Annual Salary.	Nil	-	Nil	The appointment is for five years. The appointment is terminable by giving three months' notice of either party	Nil



SHAREHOLDERS GRIEVANCE COMMITTEE:

The Company has constituted Shareholder Grievance Committee in terms of Clause 49 – IV (G) (iii) of the Listing Agreement, under the Chairmanship of Mr. Samay Koradia (Independent & Non – Executive Director) to look into the redressal of shareholder and investors complaints like:

- Transfer of shares
- Non – receipt of Balance Sheet
- Non – receipt of declared dividends
- Issue of Duplicate Share Certificates
- Review of shares dematerialized and all other related matters
- All other matters related to shares.

a. Size and Composition:-

The Share holders Grievance Committee consists of following Directors:

Name of the Directors	Designation	Category of Director
Mr. Samay Koradia	Member	Independent & Non – Executive Director
Mr. Sameep Shah	Member	Independent & Non – Executive Director
Mr. Himanshu Shah	Member	Promoter & Executive Director

b. Meeting of the Shareholders' grievance committee:-

During the financial year ended 31st March, 2014, two shareholders' grievance committee meetings were held on 29th May, 2013 and 25th September, 2013.

Name of Directors	No. of Shareholders' Grievance Committee Meetings attended
Mr. Samay Koradia	2
Mr. Himanshu Shah	2
Mr. Sameep Shah	2

c. Compliance Officer:

Ms. Deepti Muni, has been designated as the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchange.

d. Investor's/ Shareholders' Grievance Redressal:

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Nature of Complaints	Opening	Received	Resolved	Outstanding as at March 31st, 2014
Non Receipt of Annual Report	Nil	Nil	Nil	Nil
Non receipt of dividend	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

During the Accounting Year ended March 31st, 2014, no complaints were received from shareholders, all of which have been attended/ resolved as on date.



4. GENERAL BODY MEETINGS:

Annual General Meetings

a) **The particulars of last Three Annual General Meetings (AGM) are as under:**

Financial Year	Day and Date	Location of AGM	Time
2012-2013	Monday – Septemeber 30, 2013	7-A Nussar House, Gr Floor, Opp. Panchratna Bldg, Opera House, Mumbai- 400004	9.00 A.M
2011-2012	Saturday – September 29, 2012	7-A Nussar House, Gr Floor, Opp. Panchratna Bldg, Opera House, Mumbai- 400004	10.00 A.M.
2010-2011	Friday – September 30, 2011	7-A Nussar House, Gr Floor, Opp. Panchratna Bldg, Opera House, Mumbai- 400004	10.00 A.M.

b) **No Extra- Ordinary General Meeting of the Shareholders was held during the year.**

c) **Details of Special Resolutions passed in previous three Annual General Meetings:**

At the last Annual General Meeting held on September 30th, 2013 the following special resolutions were passed

- 1) To regularize the appointment of Mr. Samay Koradia as an Independent Non- Executive Director of the Company, liable to retire by rotation.
- 2) To regularize the appointment of Ms. Mihika Shah as an Independent Non- Executive Director of the company, liable to retire by rotation.

At the last Annual General Meeting held on September 29th, 2012, Special Resolution were passed for

- 1) To Regularize the appointment of Mr. Dilip Jaswant Shah as an Independent non-executive director of the company liable to retire by rotation.

At the last Annual General Meeting held on September 30th, 2011 the following special resolutions were passed for

- 1) To regularize the appointment of Mr. Sameep B Shah as an Independent Non-Executive Director of the company liable to retire by rotation.

d) **Details of Special Resolution passed During financial year under review through postal ballot:**

No Special Resolution was passed through Postal Ballot during the financial year 2013-14 by the Company.

5. DISCLOSURES:

a. **Related Party Transaction:**

Related Parties and transactions with them as required under Accounting Standard (AS-18) are furnished under point no. k of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2014.

b. **Compliance by the Company:**

- The Company has complied with the requirements of the Stock Exchanges , SEBI and Statutory Authorities on all matters related to capital markets and no penalties/ strictures were imposed on the Company during the last three years.
- No penalty has been imposed on the Company by the Stock Exchange (BSE) or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during last three years.



c. Whistle Blower Policy:

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

d. Mandatory & Non Mandatory requirement of this clause:

Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is reviewed by the Board from time to time.

7. MEANS OF COMMUNICATION:

- The Quarterly and Half Yearly results of the Company are published in an English and one Regional language newspaper namely The Free Press Journal and Navshakti respectively. The results are also displayed on the Company's website: info@minidiamonds.net
- The Company informs the Stock Exchanges about all price sensitive matters or such other matters which are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters. A Management Discussion and Analysis Statement is a part of the Company's Annual Report, which is sent to each member by post.

8. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The Code is reviewed from time to time by the Board. The said Code has been communicated to the Directors and the Members of the Senior Management.

9. TRADING IN THE COMPANY'S SHARES BY DIRECTORS AND DESIGNATED EMPLOYEES:

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992, our Company has appointed Ms. Dipti Muni as the Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

11. GENERAL SHAREHOLDER INFORMATION:

I. Annual General Meeting

Date : 30th September, 2014
 Time : 10.00 A.M.
 Venue : 7/A Nusser House, Ground Floor,
 Panchratna Building,
 Opera House, Mumbai – 400 004.

II. Financial Year : The financial year of the Company is from April 01st, 2013 to March 31st, 2014.

III. Date of Book Closure : Book Closure is from September 23, 2013 to September 30, 2014 (both days inclusive).

IV. Listing on Stock Exchange: The Company is listed on The Bombay Stock Exchange Limited. Listing fee for the year 2013 – 2014 has been paid in full to both the Stock Exchanges.

V. Stock Code :

Bombay Stock Exchange Limited : 523373
 ISIN in NSDL and CDSL for Equity Shares : INE281E01010
 Corporate Identification No : L36912MH1987PLC042515

**VI. Market Information :**

- **Listing on Stock Exchange** : The Bombay Stock Exchange Limited, Mumbai
- **Listing fee for the year 2013 – 2014** : has been paid to the Stock Exchange.
- **Stock Code** : 523373 on The Bombay Stock Exchange, Mumbai
- **ISIN No. CDSL& NSDL** : INE281E01010
- **Market Price Data** : High/ Low price during each month of 2013 – 2014 on BSE Sensex are as under:

High/Low price during each month of 2013-2014 on The Stock Exchange, Mumbai and BSE Sensex are as under:

Mini Diamonds (India) Limited								BSE SENSEX		
Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	No. of Trades	Total Turnover	High Rs.	Low Rs.	Close Rs.
2013										
Apr-13	6.27	7.85	5.46	7.46	7075	41	46080	19406.85	18226.48	19387.50
May-13	7.70	8.34	6.70	7.00	5176	31	39644	20286.12	19575.64	20215.40
Jun-13	6.66	6.90	6.00	6.00	2807	21	17901	19568.22	18540.89	19610.48
Jul-13	6.00	6.00	5.00	6.00	1992	14	11148	20302.13	19177.76	19577.39
Aug-13	5.25	5.51	5.25	5.78	1926	3	9104	19367.59	17905.91	19317.19
Sep-13	5.50	5.90	5.33	5.33	674	7	3811	20646.64	18234.66	18886.13
Oct-13	5.59	7.82	5.59	6.75	2527	25	17066	21164.52	19902.07	19517.15
Nov-13	7.08	8.00	6.80	7.00	4610	36	33961	21239.36	20194.40	21196.81
Dec-13	6.66	7.35	6.24	6.40	2400	17	16543	21326.42	20614.14	20898.01
2014										
Jan-14	6.55	7.19	5.05	5.05	5522	38	34355	21373.66	20498.25	21140.48
Feb-14	4.86	4.86	4.20	4.20	4500	23	19740	21120.12	20193.35	20209.26
Mar-14	4.01	4.25	3.15	3.81	4637	29	18473	22386.17	21209.73	20946.65

VIII. Registrar and Share Transfer Agent:

For both physical & demat segments:

M/s. Purva Shareregistry (India) Pvt. Ltd., Unit no. 9, Shiv Shakti Ind. Estt., J .R. Boricha marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai 400 011 Tel No.: 22-2301 6761 / 8261, Fax No.: 22-2301 2517, 22626407.

IX. Share Transfer System:

The shares lodged for transfer are processed by the Registrar and Transfer Agent and are approved by Shareholders' Grievance Committee. Shares sent for transfer in physical form are registered and returned within a maximum period of 30 days from the date of receipt, subject to documents being valid and complete in all respects. Similarly all requests for demat are received and processed by the Registrar and Share Transfer Agents and confirmation given to the depositories within the prescribed time limit.

**X. Nomination Facility for Shareholding:**

As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.

XI. Correspondence regarding Change in Address:

Members are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. Purva Sharegistry (India) Pvt. Ltd., Tel. No.: 23016761/23018261, Fax No.: 22-2301 2517, 22626407, Email: purvashr@mtnl.net.in

XII. Distribution of Share holdings as on 31.3.2014

NO. OF EQUITY SHARES HELD	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	SHARES HELD (in Rs.)	% OF SHARE HOLDING
UPTO 5000	12198	96.80	17146400	49.70
5001 - 10000	268	2.13	2183720	6.33
10001 - 20000	72	0.57	1041400	3.02
20001 - 30000	29	0.23	735880	2.13
30001 - 40000	6	0.05	207140	0.60
40001 - 50000	3	0.02	135550	0.39
50001 - 100000	7	0.06	551960	1.60
100001 AND ABOVE	18	0.14	12497950	36.23
TOTAL	12601	100.00	34500000	100.00

- Shareholding Pattern as on 31.3.2014**

Category	No. of Shares held	Percentage to total (%)
a. Promoters, Directors & Relatives	1043300	30.24
b. Mutual Funds / UTI	0	0
c. Banks, FIs & Insurance Cos.	0	0
d. Foreign Institutional Investors (FIIs)	0	0
e. Domestic Companies & Bodies Corporate	41014	1.19
f. NRIs/ OCBs	66995	1.94
g. Public	2298690	66.63
Total	3450000	100.00

XIII. Dematerialisation of Shares :

The Shares of the Company can be held and traded in electronic form. As on March 31st, 2014, % (_____ Shares) of total shares of the Company were held in demat form. Break up of shares in physical and demat form as of March 31st, 2014:

Particulars	No. of Share	Percentage (%) of Total Shares
Physical Segment	2325500	67.41%
Demat Segment	0	0
NSDL	873619	25.32%
CDSL	250881	7.27%
Total	3450000	100%



XIV Outstanding GDRs/ADRs/Warrants or any convertible Instrument, conversion date and likely Impact on equity – NIL

XV Plant Location- Not Applicable

XVI Address for Correspondence: 7-A, Nusser House, Ground Floor,
Opp. Panchratna Building,
Opera House Mumbai – 400004
Tel no: 91-22-2367 1210 / +91-22-2367 0940
Fax no: +91-22-2364 9910
Email: info@minidiamonds.net
Website:minidiamonds.net

XVII E-mail Id for Investor's Grievances: grievances@minidiamonds.net

COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

Company Secretary's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement (s)

To,
The Members,
Mini Diamonds (India) Limited

We have examined the compliance of conditions of Corporate Governance by Mini Diamonds (India) Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned 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 Pramod S. Shah & Associates
Practicing Company Secretaries

Place : Mumbai
Date : 06.09.2014

Pramod S. Shah
CP No. 3804



CHIEF EXECUTIVE OFFICER (CEO) and CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Upendra N. Shah, Chairman & Managing Director and Ms. Dipti Muni head of finance function designated as a Compliance Officer of **MINI DIAMONDS (INDIA) LIMITED**, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects, the financial condition, results of the operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have :
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities particularly during the period during which this report is being prepared; and
 - b. evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing equivalent functions):
 - a. all significant deficiencies in the design or operation of internal controls , which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
 - c. the Company's other certifying officers and we, have indicated in this report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness; and
 - d. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
7. In the event of any materially significant misstatements or omissions, the signing officers will return to the Company that part of any bonus or incentive or equity –based compensation, which was inflated on account of such errors, as decided by the Audit Committee;
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company;
9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Chairman & Managing Director

Compliance Officer

Place : Mumbai

Date : 06.09.2014



BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2013
I. EQUITY & LIABILITIES :-			
(1) Shareholders Funds			
(a) Share Capital	1	3,45,00,000	3,45,00,000
(b) Reserves & Surplus	2	1,20,97,124	87,45,984
(c) Money Received against Share Warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long Term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)	3	1,58,312	2,67,207
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short Term Borrowings	4	13,36,82,008	9,20,01,168
(b) Trade Payables	5	42,12,56,433	26,66,98,814
(c) Other Current Liabilities	6	4,07,32,804	2,28,85,225
(d) Short Term Provisions	7	25,70,000	16,24,000
	TOTAL	64,49,96,680	42,67,22,398
II. Assets			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets	8	1,21,77,811	54,37,264
ii) Intangible assets		-	-
iii) Capital Work-in-progress		-	-
iv) Intangible assets under development		-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans & Advances	9	2,80,509	55,47,067
(e) Other Non-Current Assets	10	20,000	20,000
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	11	26,40,16,349	18,56,43,523
(c) Trade Receivables	12	36,59,02,390	22,77,89,631
(d) Cash & Cash Equivalents	13	14,87,630	14,26,399
(e) Short Term Loans & Advances	14	10,53,016	7,93,807
(f) Other Current Assets	15	58,975	64,707
	TOTAL	64,49,96,680	42,67,22,398

Significant Accounting Policies and Notes on Financial Statements as per Note A
This is the Balance Sheet referred to in our report of even date.

For V. A. Parikh & Associates
Chartered Accountants
F. R. No: 112787W

For and on behalf of the Board

(Jinesh J. Shah)
Partner
Membership No. 111155
Place : Mumbai
Date : September 01, 2014

Director Director



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	NOTE NO.	FOR THE YEAR 2013 - 2014	FOR THE YEAR 2012 - 2013
I. Revenue From Operations	16	97,03,38,288	43,45,59,559
II. Other Income	17	4,07,803	4,435
III. Total Revenue (I + II)		97,07,46,091	43,45,63,994
IV. Expenses:			
i) Cost of Materials Consumed	18	63,56,54,100	2,80,26,626
ii) Purchases of Stock-in-Trade	19	33,55,69,750	41,13,07,534
iii) Changes in Inventories of Finished Goods Work-in-Progress And Stock-in-Trade	20	(3,79,19,986)	(2,12,08,967)
iv) Employee benefits expense	21	23,72,639	22,63,696
v) Finance costs	22	58,96,092	43,73,457
vi) Depreciation and amortization expense		12,94,881	9,35,587
vii) Other expenses	23	2,28,19,452	60,53,635
Total Expenses		96,56,86,928	43,17,51,568
V. Profit Before Exceptional Items (III - IV)		50,59,163	28,12,426
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		50,59,163	28,12,426
VIII. Extraordinary Items		-	-
IX. Profit before Tax		50,59,163	28,12,426
X. Tax Expense:			
Current Tax		16,75,000	8,95,000
Deffered Tax		(1,08,895)	1,31,977
		15,66,105	10,26,977
XI. Profit/(Loss) for the year		34,93,058	17,85,449
XII. Earnings Per Equity Share of face value of Rs. 10 each :			
Basic		1.01	0.52
Diluted		1.01	0.52

Significant Accounting Policies and Notes on Financial Statements as per Note A

This is the Statement of Profit and Loss referred in our report of even date

For V. A. Parikh & Associates
Chartered Accountants
F. R. No: 112787W

(Jinesh J. Shah)
Partner
Membership No. 111155
Place: Mumbai
Date : September 01, 2014

For and on behalf of the Board

Director Director



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AT 31ST MARCH, 2014**

Particulars	Figures as at 31.03.2014	Figures as at 31.03.2013
Note 1 : Share Capital		
Authorised Share Capital		
35,00,000 Equity shares of Rs. 10/- each	3,50,00,000	3,50,00,000
Issued & Subscribed & Fully Paid Up		
34,50,000 Equity Shares of Rs, 10/- par value per share (Previous year 34,50,000)	3,45,00,000	3,45,00,000
TOTAL	3,45,00,000	3,45,00,000
1.1 The Details of Shareholders holding more than 5% shares		
Particulars	No. of Shares(%)	No. of Shares(%)
Chandrika K. Shah	335800 (9.73%)	335800 (9.73%)
Meena U. Shah	262000 (7.59%)	262000 (7.59%)
Yogesh N. Shah	245900 (7.13%)	245900 (7.13%)
1.2 The reconciliation of the number of shares outstanding is set out below		
Particulars	Current Year	Previous Year
Equity Shares at the beginning of the year	34,50,000	34,50,000
Increase during the year	-	-
(Decrease) during the year	-	-
Equity Shares at the end of the year	34,50,000	34,50,000
Note 2 : Reserve & Surplus		
Surplus/(Deficit) i.e. Balance in Statement of Profit and Loss		
Balance at the beginning	87,45,984	69,60,535
Profit/(Loss) for the year	34,93,058	17,85,449
Balance at the end	1,22,39,042	87,45,984
Less: Appropriations		
Shortfall in Provision for Tax	1,41,919	-
TOTAL	1,20,97,124	87,45,984
Note 3 : Deferred Tax Liabilities (Net)		
Depreciation	1,58,312	2,67,207
TOTAL	1,58,312	2,67,207
Note 4 : Short Term Borrowings		
Secured		
Loans repayable on demand	-	-
a) From banks - Working Capital Loans	5,54,61,496	5,30,95,661
	5,54,61,496	5,30,95,661
Unsecured		
Loans and advances from related parties	7,82,20,512	3,89,05,507
	7,82,20,512	3,89,05,507
TOTAL	13,36,82,008	9,20,01,168



Particulars	Figures as at 31.03.2014	Figures as at 31.03.2013
-------------	-----------------------------	-----------------------------

- i. Secured Loans are secured as under :
- Primarily by hypothecation of stock and book debts
 - Collaterally by - Galas owned by other Guarantors
- ii. The loans have been personally guaranteed by Directors and others

Note 5 : Trade Payables

Others	42,12,56,433	26,66,98,814
TOTAL	42,12,56,433	26,66,98,814

Note 5.1 On the basis of information and records available with the company, there are no outstanding dues as at 31st March, 2014 to the Micro and small enterprises as defined in the micro, small and medium Enterprises Development Act, 2006.

Note 6 : Other Current Liabilities

Other payables	4,07,32,804	2,28,85,225
TOTAL	4,07,32,804	2,28,85,225

Note: 6.1 Includes statutory dues and payable for expenses /services.

Note 7 : Short Term Provisions

Others	25,70,000	16,24,000
TOTAL	25,70,000	16,24,000

Note: 7.1 Includes Provision for Income Tax

Note 8 : Long Term Loans & Advances

Name Of The Asset	Gross Block				Depreciation				Rate Of Deprn.	Net Block	
	Opening Bal. As at 01.04.2013	Addition During The Year	Deductions During The Year	Closing Bal. As at 31.03.2014	Opening Bal. As at 01.04.2013	Addition During The Year	Adjustments During The Year	Closing Bal. As at 31.03.2014		As At 31.03.2014	As At 31.03.2013
<u>Tangible Assel</u>											
Office Premises	-	52,42,444	-	52,42,444	-	2,62,122	-	2,62,122	5.00%	49,80,322	-
Plant & Equipment	88,50,707	23,20,995	15,00,000	96,71,702	49,79,130	7,34,859	-	57,13,989	13.91%	39,57,714	38,71,578
Furniture & Fixture	84,318	-	-	84,318	83,295	185	-	83,480	18.10%	838	1,023
Office Equipment	8,32,991	-	-	8,32,991	3,73,328	1,86,483	-	5,59,811	13.91%	2,73,180	4,59,663
<u>Others</u>											
Electrical Equipment	1,26,000	13,68,689	-	14,94,689	37,954	12,247	-	50,201	13.91%	14,44,488	88,046
Computer	5,38,090	55,000	-	5,93,090	3,72,924	29,183	-	4,02,107	40.00%	1,90,983	1,65,166
Tools & Equipment	3,70,775	5,48,300	-	9,19,075	95,113	69,802	-	1,64,915	13.91%	7,54,160	2,75,662
Machinery not Installed	5,76,126	-	-	5,76,126	-	-	-	-	0.00%	5,76,126	5,76,126
Total	1,13,79,007	95,35,428	15,00,000	1,94,14,435	59,41,744	12,94,881	-	72,36,625		1,21,77,811	54,37,264
Previous Year	1,20,67,243	1,06,700	7,94,936	1,13,79,007	50,06,157	9,35,587	-	59,41,744		54,37,263	70,61,086

Note : Deduction from Plant & Machinery on account of sale represents it's selling price



Particulars	Figures as at 31.03.2014	Figures as at 31.03.2013
<u>Note 9 : Long Term Loans & Advances</u>		
Unsecured, Considered Good		
Capital Advances	-	52,08,736
Security Deposits	2,80,509	3,38,331
TOTAL	2,80,509	55,47,067
<u>Note 10 : Other Non-Current Assets</u>		
Over six months	20,000	20,000
TOTAL	20,000	20,000
Note: 10.1 Includes Fixed Deposits with Bank having original maturity of more than twelve months		
<u>Note 11 : Inventories</u>		
Valued at cost or net realisable value whichever is lower		
Raw materials	19,38,82,658	15,34,29,817
Finished goods/Stock in trade (Quantity as taken, valued and certified by Director)	7,01,33,692	3,22,13,706
TOTAL	26,40,16,349	18,56,43,523
<u>Note 12 : Trade Receivables</u>		
Unsecured and considered good		
Over six months	11,20,71,917	3,53,94,790
Others	25,38,30,473	19,23,94,841
TOTAL	36,59,02,390	22,77,89,631
<u>Note 13 : Cash & Cash Equivalents</u>		
Balance with Bank	14,17,403	1,63,049
Cash on hand (Certified by directors)	70,227	12,63,350
TOTAL	14,87,630	14,26,399
<u>Note 14 : Short Term loans and advances</u>		
Unsecured, Considered Good		
To related parties	16,159	16,159
Others	10,36,857	7,77,648
TOTAL	10,53,016	7,93,807
Note: 14.1 Others includes Prepaid Expenses and taxes deducted & taxes recoverable		
<u>Note 15 : Other Current Assets</u>		
Others	58,976	64,707
TOTAL	58,976	64,707
Includes advances given		



Particulars	Figures as at 31.03.2014	Figures as at 31.03.2013
Note 16 : Revenue From Operation		
Sale of Products - Gems & Jewellery	94,72,48,508	40,94,68,042
Exchange Gain/(Loss)	1,26,64,257	2,50,91,517
Other Operating Revenues	-	-
Job Work Charges	1,04,25,523	-
TOTAL	97,03,38,288	43,45,59,559
Note 17: Other Income		
Rent Income	3,81,500	-
Interest Income	26,303	4,435
TOTAL	4,07,803	4,435
Note 18: Cost of Materials Consumed		
Opening Stock	15,34,29,817	72,92,748
Add: Purchases	67,61,06,941	17,41,63,694
Less: Closing Stock	19,38,82,658	15,34,29,817
TOTAL	63,56,54,100	2,80,26,626
Note 19: Purchase of Stock in Trade		
Purchase of stock in trade	33,55,69,750	41,13,07,534
TOTAL	33,55,69,750	41,13,07,534
Note 20 : Changes in Inventories of Finished Goods,Work-in-Progress And Stock-in-Trade		
Opening Stock		
Finished Goods/Stock-in-Trade	3,22,13,706	1,10,04,739
Closing Stock		
Finished Goods/Stock-in-Trade	7,01,33,692	3,22,13,706
TOTAL	(3,79,19,986)	(2,12,08,967)
Note 21: Employees benefits expense		
Salary	22,02,000	22,62,000
Contribution to Provident and other funds	29	1,696
Staff Welfare Expenses	1,70,610	-
TOTAL	23,72,639	22,63,696
Note 22: Finance Costs		
Interest Expenses	42,03,603	32,23,126
Other Borrowing Costs	16,92,489	11,50,331
TOTAL	58,96,092	43,73,457
Note 23: Other Expenses		
Donation	-	-
Power & Fuel	10,26,369	97,074
Rent	21,27,983	19,51,634
Repairs & Maintenance	2,89,601	4,31,573
Insurance Expenses	32,268	31,676
Payments to Auditors - Audit fees	89,888	67,416
Manufacturing Labour & other expenses	1,06,58,282	14,76,906
Establishment and other expenses	85,95,061	19,97,357
TOTAL	2,28,19,452	60,53,635

**PROXY FORM****MINI DIAMONDS (INDIA) LIMITED**

Registered Office :- 7-A, Nusser House, Ground Floor,
Opp. Panchratna Building, Opera House, Mumbai - 400 004.

CIN : L36912MH1987PLC042515

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the member (s) :	Email Id :
Regd. Address :	Folio No. :
	* DP Id :
Folio No./Client ID :	* Client Id :

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

- Name : _____ Email _____
Address : _____
Signature: _____, or failing him
- Name : _____ Email _____
Address : _____
Signature: _____, or failing him
- Name : _____ Email _____
Address : _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual general meeting of the company, to be held on Tuesday, 30th day of September, 2014 at 10 a.m. at 7-A Nussar House, Gr Floor, opp Panchratna Bldg, Opera House, Mumbai - 400004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. :

-
-
-

Signed this _____ day of _____ 20 _____

Affix One
rupee
Revenue
Stamp

Signature of the Shareholder

Signature of the Proxy holder (s)

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



ATTENDANCE SLIP

MINI DIAMONDS (INDIA) LIMITED

Registered Office :- 7-A, Nusser House, Ground Floor,
Opp. Panchratna Building, Opera House, Mumbai - 400 004.

CIN : L36912MH1987PLC042515

Please complete this Attendance Slip and hand it over at the meeting hall. It helps us to make proper arrangements. Failure to bring this Attendance Slip will cause unnecessary inconvenience to you. Please write below

Name of the member:

Registered Folio No.:

No. of Shares held:

Client ID No.:

DP ID No.:

(Please write your name in BLOCK Letters)

I hereby record my presence at the 27th ANNUAL GENERAL MEETING of the Company scheduled to be held at 7-A Nussar House Gr Floor, opp Panchratna Bldg,Opera House,Mumbai-400004 on Tuesday, 30th September 2014 at 10 A.M

.....
Member's /Proxy's Signature

(To be signed at the time of handing over this slip)

NOTES :

1. Members/Proxy holders are requested to bring their copy of the Annual Report with them at the meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.

BOOK-POST



If undelivered, please return to :

MINI DIAMONDS (INDIA) LTD.

7-A, Nusser House, Ground Floor,
Opp. Panchratna Building, Opera House,
Mumbai - 400 004.

Tel. : 2367 1210 / 0940

Fax : 2364 9910

Email : minidiamonds@yahoo.com