

**MINI DIAMONDS
(INDIA) LIMITED**

30TH ANNUAL REPORT

2016-2017



MINI DIAMONDS (INDIA) LIMITED

30TH ANNUAL REPORT 2016-2017

COMPANY INFORMATION

BOARD OF DIRECTORS	<p>Mr. Upendra N. Shah - Promoter, Chairman & Managing Director</p> <p>Mr. Himanshu K. Shah - Promoter & Executive</p> <p>Mr. Samay Koradia - Independent & Non-executive</p> <p>Mrs. Mihika Shah - Independent & Non-executive</p> <p>Mr. Dilip Jaswant Shah - Director</p> <p>Mr. Sameep B. Shah - Independent & Non-executive</p>
COMPANY SECRETARY	Mr. Vijay Gupta*
REGISTERED OFFICE	<p>Office No.-DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai 400051 Tel no.: 23671210/ 23670940 Fax: 23649910 <u>Email: minidiamonds@yahoo.com</u></p>
AUDITORS :	<p>M/s. V. A. Parikh & Associates, Chartered Accountants, Mumbai</p>
REGISTRARS & SHARE TRANSFER AGENTS:	<p>M/s 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 <u>Email: purvashr@mtnl.net.in</u></p>
SECRETERIAL AUDITOR	<p>M/s. Pramod S. Shah and Associates Practising Company Secreatry Mumbai</p>



NOTICE OF 30TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 30TH ANNUAL GENERAL MEETING OF **MINI DIAMONDS (INDIA) LIMITED** WILL BE HELD ON WEDNESDAY 27TH SEPTEMBER, 2017 AT 09.30 A.M AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT OFFICE NO.-DE-8082 BHARAT DIAMOND BOURSE, BANDRA-KURLA COMPLEX, BANDRA (EAST) MUMBAI 400051 TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

1. To receive, consider, approve and adopt the Audited financial statement of the Company for the financial year ended March 31, 2017, including audited Balance Sheet as on that date, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To reappoint Mr. Himanshu Shah as a Director (DIN: 00410645) who is liable to be retire by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the applicable rules of the Companies (Audit and Auditor) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable regulations and the Ordinary Resolution passed by the members of the Company on Tuesday, 30th September, 2014, the Company hereby ratifies the appointment of M/s V.A. Parikh, Chartered Accountants, bearing Membership Number 112787W, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of Thirty first Annual General Meeting of the Company at such remuneration as may be recommended by the Audit Committee and mutually agreed between the Board of Directors of the Company, and the Auditors”.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Audit Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this Resolution.”

Special Business

4. To re-appoint Mr. Upendra Shah as Managing Director of the company and to consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to provisions of Sections 196, 197, and 203 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment(s) thereof, for the time being in force), pursuant to the Articles of Association of the Company and as approved by the members of the Nomination and Remuneration Committee, the Members be and is hereby accorded their consent for continuation of appointment of Mr. Upendra Shah (DIN: 00748451) as the Managing Director of the Company on a retrospective basis for a period of five years with effect from 1st April, 2017 to March 31, 2022, on such terms and conditions as set out in clause A to D below:

- A. Period of Appointment : 1st April, 2017 to March 31, 2022
- B. Salary: Rs. 45,000/- Per Month
- C. Commission: Such amount for each Financial Year as may be recommended by the Nomination and Remuneration Committee and approved by Board of Directors.
- D. Termination: The appointment is liable for termination by either party giving 1 months' notice in writing to the other.

RESOLVED FURTHER THAT all such acts, deeds, matters and things executed by Mr. Upendra Shah in the capacity of managing director during the period starting from 1st April, 2017 to this date be and is hereby ratified and all such acts deeds, matters and things executed shall be treated to be exercised in the good faith of the Company”



RESOLVED FURTHER THAT the terms and conditions of the re-appointment may be altered and varied from time to time by the Board of Directors as suggested by the Nomination and Remuneration Committee as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Section 197 read with Schedule V to the Companies Act, 2013, other relevant provision of the Companies Act, 2013 and in accordance to statutory modification/amendments made under the relevant provisions of the Companies Act, 2013 and Schedule(s) thereof and as agreed between the Board of Directors and Mr. Upendra Shah.”

5. To authorize the board to borrow upto Rs. 20,00,00,000 and to consider and, if thought fit, to pass, the following resolution as an Special Resolution

“RESOLVED THAT pursuant to Section 179(3)(d) and Section 180(1)(c) of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and any other applicable Acts, rules and regulation(s), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, the consent of the Members be and are hereby accorded to borrow money upto Rs. 20,00,00,000 (Rupees Twenty Crore only) together with the money already borrowed by the company apart from temporary loans obtain from the Company’s bankers in the ordinary course of business.

RESOLVED FURTHER THAT any director of the company of the Company, be and are jointly/ severally authorized to sign/ execute such documents including to give effect to such modification(s), alteration, amendments as they deem fit, to file all the necessary Forms with Registrar of Companies and to do all such necessary acts, deeds, matter as deem appropriate to give effect to the said resolution.”

By order of the Board of Directors

Sd/-
Upendra Shah
Chairman & Managing Director
DIN: 00748451

Date : 11/08/2017

Place : Mumbai

Registered Office:

Office no. DE-8082, Bharat Diamond Bourse,
Bandra kurla Complex, Bandra (East),
Mumbai, Maharashtra ,400051
CIN: L36912MH1987PLC042515

Notes:

1. A member who is entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend the Meeting and vote thereat instead of himself/herself and such proxy need not be a member of the company. A person appointed as proxy shall act on behalf of such number of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company, carrying voting rights. Further, a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. A proxy shall not vote except on a poll. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated. The proxy forms, in order to be effective, must be lodged with the company at the registered office, duly completed and signed at least 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. Members /Proxies should bring duly-filled Attendance Slip along with their copy of Annual Report sent herewith to attend the meeting.
3. 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.



4. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means through the e-voting services provided by Central Depository Services (India) Limited (CDSL). Instructions and other information relating to e-voting are given in this Notice under Note No. 19.
5. In case of joint holders attending the Meeting, only such joint holder whose name appears as the first holder as per the Register of Members of the Company in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2017 to 27th September, 2017 (both days inclusive) for the purpose of Annual General Meeting.
7. 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 to the Registrar & Transfer Agents of the Company.
8. As per the provisions of the Companies Act, 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.
9. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
10. Members desirous of obtaining any information on the Accounts and Operations of the Company or clarifications on the Annual Report are requested to write written queries to the Company at least one week before the meeting so to enable the Company to compile the information and provide replies at the meeting.
11. 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.
12. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorship and memberships / chairmanships of Board committees, shareholding and relationships between directors inter-se as stipulated under the Listing Regulation with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
13. All documents referred to in the notice will be made available for inspection in physical or electronic form at the registered office, Head Office, Corporate Office of the Company as well as at the meeting between 10 A.M to 6.00 P.M on all working days.
14. Members whose shareholding is in electronic mode are requested to intimate change of address, mandates, nominations, power of attorney, change of name, e-mail address, contact numbers, etc., and all changes pertaining to their bank details to their respective Depository Participants. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents Purva Sharegistry Pvt Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Purva Sharegistry Pvt Ltd.
15. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, Purva Sharegistry Pvt Ltd
16. Information under listing regulations relating to directors retiring by rotation and seeking re-appointment is given at Annexure 1;
17. To support the 'Green Initiative', The Members who have not registered their e-mail addresses are requested to register the same with the Company/Depositories;
18. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.



19. E- voting:

- a) In compliance with section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 30th 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 facility for voting through ballot paper, will also be made available at the Annual General Meeting (AGM) and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
- b) The Company has signed an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.

c) 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 Electronic Voting Sequence Number “EVSN” along with MINI DIAMONDS (INDIA) LIMITED from the drop down menu and click on “SUBMIT”;
- iv. Now Enter your User ID ;
For CDSL: 16 digits beneficiary ID;
For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
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#	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.
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.
You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. 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;
- xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate;
- xviii. Scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com;
- xix. After receiving the login details compliance user should be created. compliance user would be able to link the account(s) which they wish to vote on;
- xx. 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;
- xxi. 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.
- xxii. In case of members receiving the physical copy:
Please follow all steps from sl. no. (i) to sl. no. (xxii) above to cast vote;
- d) The voting period begins from 24/09/2017 at 9.00 A.M. to 26/09/2017 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20/09/2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.
- e) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Upendra N Shah, Managing Director, on Phone no. 02226756071/72 or email id: minidiamonds9@gmail.com.



- f) M/s. Pramod S. Shah & Associates, Practising Company Secretaries FCS 3804/CP No. 334, 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 48 hours from the conclusion of the e-voting period unblock the votes cast in the presence of at least 2 (two) witness not in the employment of the Company and submit a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.
- g) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the website of the Company i.e. www.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.

By order of the Board of Directors

Sd/-
Upendra Shah
Chairman & Managing Director
DIN: 00748451

Date : 11/08/2017

Place : Mumbai

Registered Office:

Office no. DE-8082, Bharat Diamond Bourse,
Bandra kurla Complex, Bandra (East),
Mumbai, Maharashtra ,400051
CIN: L36912MH1987PLC042515

**ANNEXURE 1****INFORMATION UNDER REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 RELATING TO DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT**

Information regarding Director(s) seeking appointment/re-appointment at the 30th Annual General Meeting (Pursuant to Listing Regulations and other applicable regulations)

Item No. 2

1. Name: Mr. Himanshu Shah
2. DIN: 00410645
3. Age: 48
4. Profession: Business
5. Qualification: B.com
7. Expertise in specific functional area: Finance
8. Relationship with other directors: No
9. Directorships held in other Companies: 1
10. Memberships held in committees of the Board of other Companies: Nil
11. The number of Meetings of the Board attended during the year: 5
12. Shares held in the Company as on the date of Notice: 76400



Directors' Report

To,
The Members
Mini Diamonds (India) Ltd

Your Directors are pleased to present the Thirtieth Annual Report along with Audited Financial Statements and Auditor's Report of your Company for the Financial year ended 31st March, 2017. The Management Discussion and Analysis report has also been incorporated into this report.

The State of the Company's Affairs:

1. Key Financial Highlights:

The financial performance of your Company for the financial year ended 31st March, 2017 is summarized below:

Particulars	Standalone Financials	
	For the year ended 31st March 2017	For the year ended 31st March 2016
Revenue from operations	1,277,725,859	1,294,784,314
Other Income	835,835	907,587
Total Income	1,278,561,694	1,295,691,901
Earnings before Depreciation and Amortization	67,45,296	93,91,864
Less: Depreciation and Amortization	1,891,218	1,682,634
Net Profit before Exceptional items & Taxes	48,54,078	77,09,230
Add: Exceptional items	-	-
Net Profit for the year before Taxes	48,54,078	77,09,230
Less: Provision for Taxes		
Current Tax	20,75,000	27,90,000
Deferred Tax Assets	(3,34,703)	(1,90,440)
(Excess)/ Short Provision for tax of earlier years	-	-
Profit after tax	31,13,781	51,09,670

Financial Performance

During the year under review your Company has reported a Total Revenue of INR 1,278,561,694/- out of which non-operating revenue is INR 8,35,835/- which has decreased by INR 71,752/- as compared to the previous year.

2. Dividend:

Your Directors have not recommended any dividend for the financial year ended 31st March, 2017 due to conservation of profits and in keeping in view, the Company's performance during the current year.

3. Transfer to Reserves:

The Company has not transferred any amount to Reserves. Hence, the entire amount of profit for the year under review has been carried forward to the statement of profit and loss.

4. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

The Company has not undergone any material changes during the year.

**5. Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:****A. CONSERVATION OF ENERGY**

The operations of your company are not energy intensive. However, the Company makes its best efforts for conservation of energy in its factory and office premises.

B. TECHNOLOGY ABSORPTION, ADAPTATIONS & INNOVATION

The Company has not carried out any specific research and development activities. The Company uses indigenous technology for its operations. Accordingly, the information related to technology absorption, adaptation and innovation is reported to be NIL.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Particular	Financial Year 16-17	Financial Year 15-16
Earnings in Foreign Currency	INR 26,65,84,903/-	INR 29,91,02,495/-
Expenses in Foreign Currency	INR 70,17,43,813/-	INR 83,42,20,761/-

6. Change in the Nature of Business:

There has been no change in the nature of business of the Exchange during the year under review.

7. Annual return:

The extract of annual return for the financial year 2016-17 is attached in Annexure I

8. Fixed Deposits:

Your Company has not accepted any deposits within the meaning of Section 73(1) of the Companies Act, 2013 and the Rules made thereunder.

There are no Deposits accepted or lying with Company which are not in compliance with the requirements of Chapter V of the act.

9. Board Meetings:

The Board of Directors (herein after called as "the Board") met for 5 number of times during the Year under review.

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
1	30th May, 2016	7-A, Nussar House, ground floor opposite Panchratna Building Opera House, Mumbai-400 004 at 4.00 P.M	1) Himanshu Kailas Shah 2) Upendra Narottamdas Shah 3) Dilip JaswantShah 4) Samay Yogesh Koradia 5) Sameep Bharat Shah 6) Mihika BharatShah	None
2	30th July, 2016	7-A, Nussar House, ground floor opposite Panchratna Building Opera House, Mumbai-400 004 at 4.00 P.M	1) Himanshu Kailas Shah 2) Upendra Narottamdas Shah 3) Dilip JaswantShah 4) Samay Yogesh Koradia 5) Sameep Bharat Shah 6) Mihika BharatShah	None



3	8th September, 2016	7-A, Nussar House, ground floor opposite Panchratna Building Opera House, Mumbai-400 004 at 11.00 A.M	1) Himanshu Kailas Shah 2) Upendra Narottamdas Shah 3) Dilip JaswantShah 4) Samay Yogesh Koradia 5) Sameep Bharat Shah 6) Mihika BharatShah	None
4	15th November, 2016	Office no. DE-8082, Bharat Diamond Bourse, Bandrakurla Complex, Bandra (East), Mumbai ,Maharashtra ,400051	1) Himanshu Kailas Shah 2) Upendra Narottamdas Shah 3) Dilip JaswantShah 4) Samay Yogesh Koradia 5) Sameep Bharat Shah 6) Mihika BharatShah	None
5	14th February, 2017	Office no. DE-8082, Bharat Diamond Bourse, Bandrakurla Complex, Bandra (East), Mumbai ,Maharashtra ,400051	1) Himanshu Kailas Shah 2) Upendra Narottamdas Shah 3) Dilip JaswantShah 4) Samay Yogesh Koradia 5) Sameep Bharat Shah 6) Mihika BharatShah	

10. Change in Directors and key managerial personnel.

There has been Appointment of Mr. Vijay Gupta, Company secretary during the reporting period.

11. Statement on declaration given by the independent directors under section 149 (6) of the companies act, 2013:

Pursuant to Section 149 (4) of the Companies Act, 2013 read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 the Central Government has prescribed that your Company shall have minimum two Independent Directors.

In view of the above provisions, your Company has following Independent Directors:

Sr. No.	Name of the Independent Director	Date of appointment
1.	SAMAY YOGESH KORADIA	29/05/2013
2.	SAMEEP BHARAT SHAH	30/07/2011
3.	MIHIKA BHARAT SHAH	29/05/2013

All the above Independent Directors meet the criteria of 'independence' prescribed under section 149(6) and have submitted declaration to the effect that they meet with the criteria of 'independence' as required under section 149(7) of the Companies Act, 2013.

12. Committees of Board:

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee. The terms of reference of these Committees are determined by the Board and their functioning reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also inform the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

A. Nomination and Remuneration Committee:

In accordance with Section 178 of the Companies Act, 2013 your Company has re-constituted a Nomination and Remuneration Committee consisting of 3 non-executive directors out of which not less than one-half are independent directors.



The Composition of the Committee is as under:

Chairman:	Mr. Sameep Shah	-	Non-Executive and Independent Director
Members:	1) Mr. SamayKoradia	-	Non-Executive and Independent Director
	2) Ms. Mihika Shah	-	Non-Executive and Independent Director

The Nomination and Remuneration Committee has formulated policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 and the policy formulated by the Committee is attached herewith in Annexure II.

B. Audit Committee:

The Audit Committee acts as a link between the statutory & internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI (Listing SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Some of the important functions performed by the Committee are:

The Composition of the Committee is as under:

Chairman:	Mr. Sameep Shah	-	Non-Executive and Independent Director
Members:	1) Mr. SamayKoradia	-	Non-Executive and Independent Director
	2) Mr. Himanshu K. Shah	-	Executive Director

Secretary: *Mr. Vijay Gupta, Company Secretary of the Company shall act as Secretary of the committee

*Mr. Vijay Gupta was appointed as Company Secretary wide resolution dated 30/07/2016.

The functions of the Audit Committee are broadly:

- Overview 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.
- Review and monitoring of internal control system and compliance of audit observations of the Auditors
- Review of the financial statements before submission to the Board.
- Supervision of other financial and accounting matters as may be referred to by the Board.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control systems
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- Overseeing vigil mechanism for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate and exceptional cases.

13. Internal Control Systems and Its Adequacy:

The Company has in place well defined and adequate internal financial controls and the same were operating effectively throughout the year.

The Company has timely statutory audit and procedural checks in place. The Board evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and



accounting procedures at all locations of the Company. Based on the process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

14. Internal Control over Financial Reporting (ICFR):

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year such controls were tested and no reportable material weakness in the design or operations were observed. The company has policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

15. The vigil mechanism:

The Company has a vigil mechanism to report concerns about unethical behavior, actual / suspected frauds and violation of Company's Code of Conduct or Ethics Policy. Protected disclosures can be made by a whistle blower through several channels. The Audit Committee of the Board oversees the functioning of Vigil Mechanism in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement. The said Mechanism is established for directors and employees to report their concerns. The procedure and other details required to be known for the purpose of reporting such grievances or concerns is uploaded on the website of the Company.

16. Familiarisation Program for The Independent Directors:

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has put in place a Familiarization Program for the Independent Directors to familiarize them with the working of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc.

17. Qualification given by the Auditors:

A. Qualification Given by the Statutory Auditors:

The remark made by auditor is self explanatory provided under Annexure A of Independent Auditors Report at Point no. 3.

B. Qualification Given By the Secretarial Auditor:

Secretarial Auditor has given 10 qualification remarks in his report which is self explanatory in Form MR. 3 attached as annexure VIII.

The Explanation on the same are as follow:

1. Your Board is proposing special resolution for the same in the ensuing Annual General Meeting to ratify the transaction.
2. Your Company has taken a loan from partnership firm under which the Managing Director's Son is a partner.
3. The Board is considering the same and proposing special resolution in ensuing Annual General Meeting.
4. Your Company is falling under the class as mentioned under Section 203(1) which requires appointment of Chief Financial Officer, as company is looking for such suitable candidate, appointment has not been made during the year
5. Your Company has not appointed Secretarial Auditor for conducting audit for the financial year 2015-16.
6. The Company was unable to upload the said documents due to technical issue.
7. The Company was unable to upload the said documents due to technical issue and hence the delay.
8. Shareholding of the promoters is not in dematerialized form, however company has initiated the process and shall comply with Regulation 31(2) of LODR in due course of time.



9. Company has not maintained functional website as mentioned under Regulation 46 of LODR, however company has started the process with respect to the same.

10. The Company was unable to upload the said documents due to technical issue and hence the delay.

18. Risk Management:

The Board of Directors of your Company have identified industry specific risk and other external, internal, political and technological risk which in opinion of the board are threat to the Company and Board has taken adequate measures and actions which are required to take for diminishing the adverse effect of the risk.

19. Particulars of Loans, Guarantees or Investments:

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), disclosure on particulars relating to Loans, advances, guarantees and investments are provided as part of the financial statements and also detailed in Annual Report.

20. Annual Evaluation by the Board of Its Own Performance and that of Its Committees and Individual Directors:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

21. Auditors:

M/s. V.A. Parikh, Chartered Accountants, Statutory Auditors of your Company, is required to ratify pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, for his appointment of the Statutory Auditors of the Company in every Annual General Meeting until the expiry of his term as an Auditor of the Company in the manner as approved by the members.

22. Secretarial Auditor:

Your Company has appointed Pramod S. Shah & Associates as Secretarial Auditor, according to the provision of section 204 of the Companies, Act 2013 for conducting secretarial audit of Company for the financial year 2016 – 17.

23. Disclosure of Remuneration Paid to Director and Key Managerial Personnel:

Details of remuneration of each director to the median remuneration of the employees pursuant to section 197 read with rule 5 of the Companies, Act 2013 is attached to this report as Annexure III

24. Particulars of Employees:

None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5) (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

25. Related Party Transactions:

All transactions entered into with related parties during the year were on arm's length basis, in the ordinary course of business and in line with the threshold of materiality defined in the Company's policy on Related Party Transactions.



There have been no materially significant related party transactions between the Company and related parties except for those disclosed in the financial statements

All Related Party Transactions are placed on a quarterly basis before the Audit Committee and also before the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

The particulars of contracts or arrangements with related parties referred to in section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as Annexure IV of this Annual Report.

26. Significant and Material Orders Passed by the Regulators or Courts:

a) BSE (Listing Agreement): Suspension of trading in Securities.

Pursuant to the provisions of Circular no. CIR/MRD/DSA/31/2013 issued by Securities and Exchange Board of India (SEBI) and Exchange Notice No. 20140117-20 with respect to Standard Operating Procedure (SOP) for suspension and revocation of equity shares of listed entities for non-compliance of certain clauses of the Listing Agreement; your company is under 'revocation of suspension' procedure. The company has duly complied with all the regulations of Listing Agreement and has duly paid the regulatory fine and fees as desired by the Exchange Authorities. The revocation process is still in continuance and shall complete in due course of time.

b) Hon'ble Additional Chief Metropolitan Magistrate, 40th Court:

Registrar of Companies – Mumbai, has filed complaint against the Company and Managing Director of the Company for non filing of three copies of balance sheet and profit and loss account together with all documents required to be attached / annexed pursuant to provisions of 220(3) of the Companies Act, 1956. The Company has appointed Advocate to appear and present the case on behalf of the Company. Advocate is in total control of the proceedings and has proper and timely devised procedure in place to appear and present the case.

27. Sexual Harassment:

Your Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year ended 31 March, 2017, no complaints have been received pertaining to sexual harassment.

28. Revision of Financial Statement of the Company/The Report of The Board:

The Financial Statement of the Company and Board's Report has not been revised during the Financial Year 2016 -2017 as per Section 131 of the Companies Act, 2013.

29. Details of New Subsidiary/ Joint Ventures/Associate Companies:

There are no subsidiaries, joint venture or associate companies.

30. Disclosure With Respect to Specified Bank Notes and Other Denomination Notes Pursuant to Notification Issued By Ministry of Corporate Affairs:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as at 8th November, 2016	300,000	38,868	338,868
(+) Permitted receipts		223,000	223,000
(-) Permitted payments		167,057	167,057
(-) Amount deposited in Banks	300,000		
Closing cash in hand as at 31st December, 2016	-	94,811	94,811

**28. Directors' Responsibility Statement:**

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement and confirm that-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. Indian Accounting Standards:

The Ministry of Corporate Affairs (MCA), vide its notification in the official gazette dated 16th February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to your Company from 01st April, 2016, with a transition date of 01st April, 2015 and IGAAP as the previous GAAP.

30. The State of Company's Affairs

The company is indulged in cutting and polishing of Diamonds and trading of the same.

31. Management Discussion and Analysis:

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report on your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable, are presented in a separate section forming a part of this Annual Report

32. Corporate Social Responsibility

The company has not falling under the criteria of Section 135 of the Companies Act, 2013 to constitute a committee and to spent in CSR activity. However, your company assure that it will comply with Section 135 when the section will be applicable on company.

33. Disclosure of Remuneration Paid To Director and Key Managerial Personnel and Employees:

Information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure VII to this report.

A statement containing the names of the top ten employees in terms of remuneration drawn as required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in Annual Report. However, there was no employee in the Company drawing remuneration in excess of limit specified in Rule 5(2) (i) to (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 hence, no such details are provided.

The further details with regard to payment of remuneration to Directors and Key Managerial Personnel are provided in Form No. MGT 9- Extract of annual return appended as Annexure I.

**34. Participation in the Green Initiative:**

Your Company continues to wholeheartedly participate in the Green Initiative undertaken by the Ministry of Corporate Affairs (MCA) for correspondences by Corporate to its Members through electronic mode. All the Members are requested to join the said program by sending their preferred e-mail addresses to the Registrar and Share Transfer Agent.

33. Acknowledgement

Your Directors place on record their sincere gratitude for the assistance, guidance and co-operation the Company has received from all stake holders. The Board further places on record its appreciation for the dedicated services rendered by the employees of the Company.

For and on behalf of the Board

Upendra Shah
DIN: 00748451
Chairman

Place : Mumbai

Date : 11/08/2017

**ANNEXURE TO BOARD'S REPORT****Annexure I Annual return****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN:-	L36912MH1987PLC042515
ii)	Registration Date –	12-Feb-87
iii)	Name of the Company -	MINI DIAMONDS (INDIA) LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by shares Public Non Government Company
v)	Address of the Registered office and contact details	Office No.-DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East). Mumbai – 400051 Tel: +9126756072 Email: minidiamonds9@gmail.com Website: www.minidiamonds(india)limited.com
vi)	Whether listed company	Yes
	Name, Address and Contact details of Registrar and Transfer Agent, if any	Purva Share Registry (India) Private Limited, No. 9 Shiv Shakti Industrial Estate, Ground Floor, J R Boricha Marg, Opp Kasturba Hospital, Lower Parel, Mumbai- 400011.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	DIAMONDS TRADING AND MANUFACTURING	32112	99.93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :-

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
	NIL				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	356600	686600	1043200	30.24	356600	686600	1043200	30.24	0
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0



c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other (Person Acting in Concert)	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (A) (1):	356600	686600	1043200	30.24	356600	686600	1043200	30.24	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other...	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (A) (2):	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoters (A)= (A)(1)+(A)(2)	356600	686600	1043200	30.24	356600	686600	1043200	30.24	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	0	0	0	0.00	0	0	0	0.00	0.00
(2) Non Institutions									
a) Bodies corporates									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	595350	1556800	2152150	62	588352	1562800	2151152	62.35	0.03
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	136160	0	136160	4	136160	0	136160	3.95	0.00



c) Others (specify)									
c-i) Clearing Member	1034	0	1034	0.15	5300	0	5300	0.15	0.00
c-ii) Non Resident Indian (Non Repat)	69440	0	69440	2.01	69370	0	69370	2.01	0.00
c-iii) Non Resident Indians (Repat)	0	0	0	0.00	200	0	200	0.01	0.00
c-iv) Bodies Corporate	42208	0	42208	1.01	22817	12100	34917	1.01	0
c-v) Foreign Companies	0	0	0	0.00	0	0	0	0.00	0
c-vi) Hindu Undivided Family	6806	0	6806	0.25	8703	0	8703	0.25	0.06
c-vii) Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL (B)(2):	849000	1568900	2406800	69.76	844000	1562800	2406800	69.76	0.09
Total Public Shareholding (B)=(B)(1)+(B)(2)	849000	1557800	2406800	69.76	844000	1562800	2406800	69.76	0.09
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1193500	2256500	3450000	100	1188500	2261500	3450000	100	

(ii) Shareholding of promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1	KAILAS NAROTTAMDAS SHAH	39600	1.47	0.00	11100	1.47	0.00	0
2	KINITA UPENDRA SHAH	17000	0.49	0.00	17000	0.49	0.00	0
3	MINITA UPENDRA SHAH	27000	0.78	0	27000	0.78	0	0
4	KAMLINI CHAITAN MANIAR	100	0.00	0	100	0.00	0	0
5	YOGESH NAROTTAMDAS SHAH	245900	7.13	0	245900	7.13	0	0
6	JARIN NAROTTAMDAS SHAH	21200	0.61	0	21200	0.61	0	0
7	CHANDRIKA KAILAS SHAH	335800	9.73	0	335800	9.73	0	0
8	DHARMESH KAILAS SHAH	18200	0.53	0.00	18200	0.53	0.00	0
9	HIMANSHU KAILAS SHAH	76400	2.21	0	76400	2.21	0	0
10	MEENA UPENDRA SHAH	262000	7.59	0	262000	7.59	0	0
	Total	1043200	30.24	0	1043200	30.24	0	0

**(iii) Change in Promoters' Shareholding:**

Sr No		Shareholding at the beginning of the Year (April 1, 2016)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	No Change					
	At the beginning of the year	0	0	0	0	0
	Date wise Increase/Decrease in Promoters shareholding during the year	No Change				
	At the end of the year - 31.03.2017	0	0	0	0	0

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PARTH SHAH				
	At the beginning of the year - 01.04.2016	68640	1.98		
	Date wise Increase/Decrease in shareholding during the year	No Change			
	At the end of the year - 31.03.2017			68640	1.98
2	PRITI YOGESH SHAH				
	At the beginning of the year - 01.04.2016	66440	1.93		
	Date wise Increase/Decrease in shareholding during the year	No Change			
	At the end of the year - 31.03.2017			66400	1.93
3	VIVEK DHIMANT SHAH				
	At the beginning of the year - 01.04.2016	42817	1.24		
	Date wise Increase/Decrease in shareholding during the year	No Change			
	At the end of the year - 31.03.2017			42187	1.24
4	MAYUR AJAY SHAH				
	At the beginning of the year - 01.04.2016	36215	1.04		
	Date wise Increase/Decrease in shareholding during the year	No Changes			
	At the end of the year - 31.03.2017	36215		36215	1.04



5	RONISH U SHAH				
	At the beginning of the year - 01.04.2016	34628	1.00		
	Date wise Increase/Decrease in shareholding during the year	No Change			
	At the end of the year - 31.03.2017			34628	1.00
6	DINESH C SHAH				
	At the beginning of the year - 01.04.2016	22500	0.65		
	Date wise Increase/Decrease in shareholding during the year	No Change			
	At the end of the year - 31.03.2017			22500	0.65
7	SIMITA UPENDRA SHAH				
	At the beginning of the year - 01.04.2016	17000	0.00		
	Date wise Increase/Decrease in shareholding during the year	No Change			
	At the end of the year - 31.03.2017			17000.00	0.00
8	SHRI JAY TEXTILE CHEMICAL INDUSTRIES				
	At the beginning of the year - 01.04.2016	10300	0.29		
	Date wise Increase/Decrease in shareholding during the year	No Change			
	At the end of the year - 31.03.2017			10300	0.29
9	JITENDRA JAGGANNATH MEHTA				
	At the beginning of the year - 01.04.2016	10100	0.29		
	Date wise Increase/Decrease in shareholding during the year	No Change			
	At the end of the year - 31.03.2017	10100	0.01	10100	0.29
10	MOHAN ABRAHAM				
	At the beginning of the year - 01.04.2016	10000	0.28		
	Date wise Increase/Decrease in shareholding during the year	No Change			
	At the end of the year - 31.03.2017			10000	0.01

(v) Shareholding of Directors and Key Managerial Personnel: N.A

Sr No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Himanshu Kailas Shah					
	At the beginning of the year - 01.04.2016	76400	2.21	0	76400	2.21
	Increase/decrease during the year	No change during the year				
	At the end of the year - 31.03.2017	76400	2.21	0	76400	2.21
2	Upendra Narottamdas Shah					
	At the beginning of the year - 01.04.2016	1000	0.03	0	1000	0.03
	Increase/decrease during the year	No change during the year				
	At the end of the year - 31.03.2017	1000	0.03	0	1000	0.03

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	156,566,170	12,531,382		
ii) Interest due but not paid	0	0		
iii) Interest accrued but not due	0	0		
Total (i+ii+iii)	156,566,170	12,531,382		
Change in Indebtedness during the financial year				
Addition		81,455,863		
Reduction	7,187,603			
Net Change	-7,187,603	81,455,863		
Indebtedness at the end of the financial year				
i) Principal Amount	149,378,567	93,987,245		
ii) Interest due but not paid	0	0		
iii) Interest accrued but not due	0	0		
Total (i+ii+iii)	149,378,567	93,987,245		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr No.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
		Upendra Narottamdas Shah (Managing Director)	
	Gross salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	420,000	420,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	60000	60000
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	480,000	480,000
	Ceiling as per the Act		



B. Remuneration to other directors:

Sr no	Particulars of Remuneration	Name of Director
1.	Independent Directors (a) Fee for attending board/committee meetings (b) Commission (c) Others, please specify =	Nil
	Total (1)	
2.	Other Non-Executive Directors (a) Fee for attending board/committee meetings (b) Commission (c) Others (Professional fees)	
	Total (2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration	
	Overall Ceiling as per the Act	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:N.A

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
1.	Gross salary	Vijay Gupta (CS)	Total
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180,000	180,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total	180,000	180,000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding	220(1), 220(2)	For not filing Forms 23AC/ ACA	Compounding	The Additional Chief Metropolitan Magistrate, 37th court, Esplanade, Mumbai	
B. DIRECTOR : Upendra Narottamdas Shah					
Penalty					
Punishment					
Compounding	220(1), 220(2)	For not filing Forms 23AC/ ACA	Compounding	The Additional Chief Metropolitan Magistrate, 37th court, Esplanade, Mumbai	
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Sd/-
Upendra Shah
DIN: 00748451
Chairman

Place: Mumbai

Date : 11/08/2017



Annexure II

Nomination and Remuneration Policy

1. Purpose of the Policy:

The Nomination and Remuneration Committee ("Committee") of the Company and this Policy shall be in compliance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (Listing obligation and disclosure Requirement) Regulation, 2015

The Policy is framed with the objective(s):

1. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the working potential of all the Directors and Key managerial Personnel (KMP) of the Company;
2. To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
3. To ensure that the remuneration to Directors and Key Managerial Personnel (KMP) of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
4. To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration;
5. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
6. To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and
7. To lay down criteria for appointment, removal of directors and Key Managerial Personnel and evaluation of their performance.

2. Definitions:

1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
2. **Board** means Board of Directors of the Company.
3. **Directors** mean Directors of the Company
4. **Policy or this Policy means**, "Nomination and Remuneration Policy."
5. **Key Managerial Personnel** means
 1. Chief Executive Officer or the Managing Director or the Manager;
 2. Whole-time director;
 3. Chief Financial Officer;
 4. Company Secretary; and
 5. such other officer as may be prescribed.

3. ROLE OF COMMITTEE

- 3.1. **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.**



The Committee shall:

1. Identify persons who are qualified to become Directors and Key Managerial Personnel (KMP) who may be appointed in accordance with the criteria laid down.
2. Recommend to the Board appointment and removal of Directors and KMP and shall carry out evaluation of every director's performance.
3. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
4. Recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial personnel and other employees.
5. To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and Key Managerial Personnel and such other factors as the Committee shall deem appropriate.
6. Make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.

2. **Policy for appointment and removal of Director and Key Managerial Personnel (KMP)**

1. **Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. **Criteria for Remuneration to Directors, Key Managerial Personnel and Senior Management:**

- (a) **Performance:** The Committee shall while determining remuneration ensure that the performance of the Director and Key Managerial Personnel and their commitment and efficiency is constructive and beneficial in generating commercial for the Company.
- (b) **Responsibilities and Accountability:** The roles and responsibilities towards the organisation and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration.
- (c) **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- (d) **Flexibility:** The Remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation.
- (e) **Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.



3. **Remuneration to Directors and Key Managerial Personnel:**

The Committee shall ensure that the Remuneration payable to Directors and Key Managerial Personnel shall be paid after complying with the provisions of Section 197 and Schedule V and such other applicable provisions of the Companies Act, 2013.

4. **Term / Tenure**

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

5. **Evaluation**

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

6. **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and Key Managerial Personnel subject to the provisions and compliance of the said Act, rules and regulations.

7. **Retirement**

The Director and Key Managerial Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3. **Policy relating to the Remuneration for the Whole-time and Director**

3.3.1. **General**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.
- b) In determining the remuneration of Whole-time Director and Key Managerial Personnel the Committee should consider among others:
 - Conducting benchmarking with companies of similar type on the remuneration package;
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;



- Clear linkage of remuneration and appropriate performance benchmarking; and
 - Remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives to the working of the Company and its goals.
- c) Increments including bonuses, incentive and other rewards to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders of the Company and/or Central Government, wherever required.

3.3.2. Remuneration to Non- Executive / Independent Director

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that amount of fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

4. Membership

1. Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.
2. The Chairman of the Committee shall be elected from members amongst themselves who shall be an Independent Director. In the absence of the Committee's Chairman, the remaining members present shall elect one of themselves to chair the meeting.
3. Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.
4. The Chairperson of the Committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.

5. Frequency of the meetings

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities.

6. Committee Members' Interests

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

7. Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee



Annexure III

Remuneration to Managing Director, Whole time director and/or Manager

S.No	Particulars of Remuneration	Name of the Director and KMP		Total
1	Gross salary	Upendra N. Shah	Vijay Gupta Company Secretary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4,20,000	1,80,000	6,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock option			
3	Sweat Equity			
4	Commission	60,000	0	60,000
	as % of profit			
	others (specify)			
5	Others, please specify			
	Total (A)	4,80,000	1,80,000	6,60,000
	Ceiling as per the Act			



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED MARCH 31, 2017

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

To,
The Members,
Mini Diamonds (India) Limited
7-A, Nusser House, Ground Floor,
Opp. Panchratna Building,
Opera House, Mumbai- 400 004.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mini Diamonds (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial year ended March 31, 2017 (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings.
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
 - (b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (Not applicable to the Company during the Audit Period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).
- (6) We further report that** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:
- (a) Industrial Dispute Act, 1947;
 - (b) Payment of Wages Act, 1936;
 - (c) The Minimum Wages Act 1948;
 - (d) The Employee Provident Fund and Miscellaneous Provisions Act, 1952.
 - (e) The Payment of Bonus Act, 1965.
 - (f) The Payment of Gratuity Act, 1972;
 - (g) The Contract Labour Act (Regulations and Abolition) Act, 1970
 - (h) Competition Act 2002,
 - (i) Shops and Establishment Act, 1948
 - (j) The Maharashtra Labour Welfare Fund Act, 1953

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS – 1 and SS – 2);
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. As per Section 180(1) (c) of the Companies Act 2013, Company has borrowed certain sum of monies exceeding the stipulated limits mentioned thereunder without approval in general meeting through specified resolutions under the provisions of the said Act.
2. There are certain sums borrowed falling under category of deposits, which attracts compliances mentioned under Section 73 and Companies (Acceptance of deposits) Rules, 2014 and specified approvals and resolution.
3. Monies borrowed under Section 179(3) has not supported with board resolutions and approvals.
4. Company is falling under the class as mentioned under Section 203(1) which requires appointment of Chief Financial Officer, as company is looking for such suitable candidate, appointment has not been made during the year.
5. Secretarial Audit Report as mentioned under Section 204(1), annexed with Board Report under Section 134(3) has not been placed in Annual General Meeting held for the year ended on 31st March 2016.
6. Outcome of the Board Meeting dated 30th July 2016 has not been filed with stock exchange in stipulated time as mentioned under Regulation 30(2) read with Part A of Schedule III (LODR).
7. Financial Results for the quarter ended on September 2016 has filed with stock exchange beyond stipulated time as mentioned under Regulation 33(3)(a) LODR.
8. Shareholding of the promoters is not in dematerialized form, however company has initiated the process And shall comply with Regulation 31(2) of LODR in due course of time.
9. Company has not maintained functional website as mentioned under Regulation 46 of LODR, however company has started the process with respect to the same.



10. Proceedings of the Annual General Meeting dated 30th September 2016 has been filed with stock exchange beyond stipulated time as mentioned under Regulation 30 read with Part A Schedule III (LODR).

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes in the composition of the Board of Directors and Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act/Regulations.

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

During the Audit Period, all the decisions in the Board Meetings and Committee Meetings were carried unanimously as recorded in the Minutes of the Meetings of the Board of Directors and Committees of the Board, as the case may be.

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

We further report that during the Audit Period there were no specific events/actions having bearing on Company's affairs.

**Pramod S. Shah & Associates
(Practising Company Secretaries)**

Place: Mumbai

Date: 10th August, 2017

**Sd/-
Pramod Shah - Partner
Pramod S. Shah & Associates
FCS No.: 334
C.O.P. No.: 3804**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of material contracts or arrangement or transactions not at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts / arrangements/ transactions	Date(s) of approval by the Board	Amount paid as advances	Date on which special resolution was passed in General meeting
1	NA	NA	NA	NA	NA	NA	NA	NA

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances	Date on which special resolution was passed in General meeting
1	Ronish Gems - Partnership Firm in which son of Director is a Partner.	Rent	2016-17	Rs. 300,000		May 2017		NA
2	Ronish Gems - Partnership Firm in which son of Director is a Partner.	Purchase of goods	2016-17	Rs. 1,22,57,957		May 2017		NA
3.	Upendra Shah - Director	Director's Remuneration	2016-17	Rs. 4,80,000		May 2017		NA



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY OVERVIEW

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive. Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 95 per cent of the world's diamonds, (Source: Gems and Jewellery Export promotion Council (GJEPC)). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100 per cent Foreign Direct Investment (FDI) in the sector through the automatic route.

India is one of the largest centres for cut and polished diamonds. 9 of 10 diamonds in the world are cut and polished in India and Japan is the third largest consumer of polished diamonds and one of the leading consumers of gold, precious stones and studded jewellery in the world.

Opportunities & Threats Strengths

India is a country where jewellery and precious metal shows the status of the person, thus rendering the demand for our product relatively price inelastic. Also, there is tremendous opportunity for organized players like Mini Diamonds (India) Limited to grow as consumer tastes and preferences evolve. The new age consumer prefers convenience and quality. Although traditional jewellers still occupy 90 % of the industry, This offers a huge growth opportunity players like us.

Investments/Developments opportunities

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers are able to fulfil their changing demands better than the local unorganised players. Moreover, increase in per capita income has led to an increase in sales of jewellery, as jewellery is a status symbol in India.

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000-September 2016 were US\$ 851.34 million, according to Department of Industrial Policy and Promotion (DIPP).

Government Initiatives

India has signed a Memorandum of Understanding (MoU) with Russia to source data on diamond trade between the two countries. India is the top global processor of diamonds, while Russia is the largest rough diamond producer. The Government of India is planning to establish a special zone with tax benefits for diamond import and trading in Mumbai, in an effort to develop the city as a rival to Antwerp and Dubai, which are currently the top trading hubs for diamond.

Challenges facing the Indian Gems & Jewellery Industry

- High dependence on Imports – All raw materials are imported
- Volatile raw material prices
- Limited financing options for the industry
- Limited Research and Technology Adoption
- Falling demand at any point in time would stall the expansion plans of organized retail players.
- Competing luxury products may eat into jewellery sales.
- Risk of Talent Shortage

Development Plans

Our strategic intent is to leverage upon business model and our competitive strength to build brands and products that offer quality, trust and value to consumers. The focus has always been and continues to be value creation.



Outlook

It can be said that the prospects of the Indian gems and jewellery market is quite promising with increasing focus of the world towards the quality of gems and jewellery products and better purchasing power of the people in India. The industry derives its strength from availability of cheap labour and strong demand from the domestic market. India is one of the leading players in the Gems and Jewellery market. Over the long term, diamond jewellery demand is likely to witness consistent growth driven by evolving lifestyles, higher disposable incomes, changing tastes and preferences, advent of the online platform and rising demand from tier 2, tier 3 cities and the rural markets.

Corporate Profile

Mini Diamonds (India) Limited is a Public Limited company incorporated on 12th February 1987. It is classified as Non-govt company and is registered at Registrar of Companies, Mumbai. Its authorized and paid up share capital is Rs. 3,45,00,000 and with a turnover of around \$14 Million. The company is involved in cutting and polishing of Diamonds.

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

Internal Control System

The framework for our Roadmap guides every aspect of our business by describing what we need to accomplish in order to continue achieving sustainable growth.

- People: Be a great place to work for where people are inspired to be the best they can.
- Process: We believe in and adhere to strong operating processes in order to achieve profits and productivity.
- Profit: Maximize long-term return to stakeholders while being mindful of our overall responsibilities.
- Productivity: Be a highly effective, lean and fast-moving organization.

In order to ensure the above, the company has adequate internal control systems in place. These are to supervise its internal business processes across departments to ensure operational efficiency, compliance with internal policies, applicable laws and regulations, optimum resource and asset utilization, and accurate reporting of financial transactions. The adequacy and efficacy of the control environment is analyzed periodically to ensure that its robustness is reinforced in keeping with the requirements of a dynamic business environment. Observations of significance in summarized internal audit reports are reviewed by a qualified and independent Audit Committee on a regular basis.

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 had been 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

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 behaviour 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.

Financial Performance of the Company

During the year under review your Company has reported a Total Revenue of INR 1,278,561,694/- out of which non-operating revenue is INR 8,35,835/- which has decreased by INR 71,752/- as compared to the previous year.



**Particulars of Loans, Guarantees or Investments in accordance
With Section 186 of the Companies Act, 2013**

Loans, Guarantees given or Investments made during the Financial Year 2016-17:

(In Rupees)

Name of the Party	Nature & purpose of Transactions	Amount at the beginning of the Year	Transactions during the year	Balance at the end of the year
Mr. Upendra Shah	Loan to Managing Director (Interest free Loan)	28,28,852	17,74,131	10,54,721



REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is the application of best management practices, compliance of laws and adherence to ethical standards to achieve the Company's objective of enhancing stakeholder value and discharge of social responsibility. It deals with laws, procedures, practices and implicit rules that determine a Company's ability to take informed managerial decisions vis-à-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's philosophy on Corporate Governance is founded on ethical governance practices, a great many of which were implemented well before they were made mandatory. Integrity, transparency, fairness, accountability and compliance with the law are the columns of good governance which are embodied in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's Code of Business Conduct, its Ethical View Policy and its well structured internal control systems which are subjected to regular review for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders.

Your Company believes that good Corporate Governance is essential in achieving long-term corporate goals, enhancing shareholders' value and attaining the highest level of transparency.

Your Company's philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability and integrity and your Company has been practicing the principles of Corporate Governance since date of listing.

Your Company believes that all its operations and actions must serve the underlined goal of enhancing customers' satisfaction and stakeholders' value over a sustained period of time. All directors and employees are bound by a Code of Conduct that sets forth your Company's policy on important issues, including its relationship with customers, shareholders and Government.

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 stakeholders informed of relevant developments impacting the Company.

2. BOARD OF DIRECTORS:

The Board of Directors plays a pivotal role in ensuring good governance. The contribution of directors on the Board is critical to the way a corporate conducts itself. A board's responsibilities derive from law, custom, tradition and current practice. In the present times transparency, disclosure accountability, issues of sustainability, corporate citizenship, globalization are just some of the concerns that the Boards have to deal with. In addition, the Boards have to respond to the explosive demands of the marketplace. This two dimensional role of the Board of Directors is the cornerstone in evolving a sound, efficient, vibrant and dynamic corporate sector for attaining of high standards in integrity, transparency, conduct, accountability as well as social responsibility. 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.

**a. Composition of the Board**

The name and category of Director on the Board and the number of Directorship held by them in other Company are given herein below:

Sr. No.	Name of Directors	Category	No. of Directorships in each Companies		No. of Membership/ Chairmanship of other Company Board Committees	
			Public	Private	Member	Chairman
1.	Himanshu Kailas Shah	Executive Director	0	5	-	-
2.	Upendra Narottamdas Shah	Managing director, Chairperson and Executive Director	0	0	-	-
3.	Dilip Jaswant Shah	Executive Director	0	1	-	-
4.	Samay Yogesh Koradia	Non-Executive Director and Independent Director	0	1	-	-
5.	Sameep Bharat Shah	Non-Executive Director and Independent Director	0	0	-	-
6.	Mihika Bharat Shah	Non-Executive Director and Independent Director	0	0	-	-

The above composition is consistent with the relevant provisions of Companies Act, 2013 and Regulation 17 (1) of the Listing Regulation.

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

During the financial year 2016-17, 5 Board Meetings were held on 30th May, 2016, 30th July, 2016, 8th September, 2016, 15th November, 2016 and 14th February, 2017.

The Annual General Meeting of the Company for the financial year 2016 - 17 was held on 30/09/2016.

Attendance at Board Meeting and last Annual General Meeting:-

Name of Directors	No. of Board meetings held during the year/tenure	No. of Board Meetings attended	Attendance at last AGM
Himanshu Kailas Shah	5	5	Present
Upendra Narottamdas Shah	5	5	Present
Dilip Jaswant Shah	5	5	Present
Samay Yogesh Koradia	5	5	Present
Sameep Bharat Shah	5	5	Present
Mihika Bharat Shah	5	5	Present

c. Board's Functioning & Procedures: -

The Board has complete access to any information within the Company. At meetings of the Board, it welcomes the presence of Senior Management 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, results and capital employed, for consideration and approval,
- Minutes of Meetings of Audit Committee, Stakeholders relationship Committee /Share Holders Grievance Committee and Nomination and Remuneration Committee.
- Abstracts of circular resolutions passed,
- 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 Company's Financial,
- 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 and 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 Meetings of the Board are circulated to all Directors and confirmed at the subsequent Meeting. The Minutes of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's relationship Committee / Shareholders' Grievance Committee are also circulated to all Directors and thereafter tabled for discussion at the subsequent Board Meeting.

3. AUDIT COMMITTEE:

Audit committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The primary objective of the Audit Committee is to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures.

a. Size and Composition:-

The composition of the Audit Committee as on March 31, 2017 is as under:-

1. Mr. Sameep Shah, Non-Executive Independent Director as Chairman;
2. Mr. Samay Koradia. Non-Executive and Independent Director as Member;
3. Mr. Himanshu K. Shah, Executive Director as Member;
4. *Secretary: Mr. Vijay Gupta, Company Secretary of the Company shall act as Secretary of the committee.

**Company Secretary was appointed vide resolution 30th July, 2016.*

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 2016 - 17, 5 Audit Committee Meetings were held on 30th May, 2016, 30th July, 2016, 8th September, 2016, 15th November, 2016 and 14th February, 2017.

Name of Members	Designation	Category of Director	Nos. of meetings Held	Nos. of meetings attended
Mr. Sameep Shah	Chairman	Non-Executive Independent Director	5	5
Mr. Samay Koradia	Member	Non Executive – Independent Director	5	5
Mr. Himanshu K. Shah	Member	Executive –Director	5	5



c. The terms of reference and functions of the Audit Committee are as follows:-

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. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - 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;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;



18. To review the functioning of the Whistle Blower mechanism;
 - Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
 - The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee shall mandatorily review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
21. The Audit Committee shall have powers, which should include the following:
 - a) To investigate any activity within its terms of reference:
 - The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
 - b) To seek information from any employee;
 - c) To obtain outside legal or other professional advice;
 - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
22. The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company;
23. All Related Party Transactions shall require prior approval of the Audit Committee:
 - Approval or any subsequent modification of transactions of the company with related parties;
24. When money is raised through an issue (public issues, rights issues, preferential issues etc.), the company shall disclose the uses / applications of funds by major category (capital expenditure, sales and marketing, working capital, etc), on a quarterly basis as a part of their quarterly declaration of financial results to the Audit Committee.

Further, on an annual basis, the company shall prepare a statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and place it before the audit committee. Such disclosure shall be made only till such time that the full money raised through the issue has been fully spent. This statement shall be certified by the statutory auditors of the company. Furthermore, where the company has appointed a monitoring agency to monitor the utilization of proceeds of a public or rights issue, it shall place before the Audit Committee the monitoring report of such agency, upon receipt, without any delay. The audit committee shall make appropriate recommendations to the Board to take up steps in this matter.



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

The Minutes of the Meetings of the Committee are circulated to all Members and confirmed at the subsequent Meeting.

4. NOMINATION AND REMUNERATION COMMITTEE:

The purpose of the Committee shall be to discharge the Board's responsibilities relating to formulation of compensation plans and policies of the Company's Executive Directors.

a) Size and Composition:-

The Nomination and Remuneration Committee is in accordance with the provisions of Regulation 19 of Listing Regulation and Section 178 of the Companies Act, 2013. The composition as on March 31, 2017 is as under:-

1. Mr. Sameep Shah, Non-Executive Independent Director was appointed as a Chairman of the Nomination and Remuneration Committee;
2. Ms. Mihika Bharat Shah, Non-Executive Independent Director was appointed as a Member of the Nomination and Remuneration Committee.
3. Mr. Samay Koradia Non-executive Independent Director as Member of the Nomination and Remuneration Committee.

b) The terms of reference of the Nomination and Remuneration Committee include the following:-

- 1) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) To identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- 3) To determine such policy, taking into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage, enhance performance, retain and are, in a fair and responsible manner rewarded for their individual contributions to the success of the Company;
- 4) To review the ongoing appropriateness and relevance of the remuneration policy;
- 5) To approve the design of any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 6) To decide on all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive Directors and other senior executives and the performance targets to be used;
- 7) To consider and make recommendations in respect of any other terms of the service contracts of the executives and any proposed changes to these contracts, and to review the company's standard form contract for executive directors from time to time;
- 8) To consider any other matters relating to the remuneration of or terms of employment applicable to the remuneration of the directors, key managerial personnel and other employees.



c) Attendance at the Nomination and Remuneration Committee Meetings:-

Name of Members	Designation	Category of Director	Nos. of meetings held	Nos. of meetings attended
Mr. Sameep Shah	Chairman	Non-Executive Independent	1	1
Mr. Samay Koradia	Member	Non-Executive Independent	1	1
Ms. Mihika Bharat Shah	Member	Non-Executive Independent	1	1

d. Disclosure of Remuneration paid :-

At present, Non-executive Independent Directors has been paid sitting fees for attending Board Meetings/ Audit Committee Meetings/ Remuneration Committee Meetings.

Details of remuneration paid to Directors during the financial year ended March 31, 2017 are as under:

Name of Directors	Remuneration including Salary and Perquisite	Sitting Fees	Total
Mr. Sameep Shah	NA	NA	NIL
Mr. Samay Koradia	NA	NA	NIL
Ms. Mihika Bharat Shah	NA	NA	NIL
Mr. Himanshu Kailas Shah	NA	NA	NIL
Mr. Upendra Narottamdas Shah	4,80,000	NA	4,80,000
Mr. Dilip Jaswant Shah	NA	NA	NIL

e. Nomination & Remuneration Policy:

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company had been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The policy acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

f. Criteria for the Performance Evaluation of the Independent Directors:

The Board of Directors has formulated performance evaluation criteria of Independent Directors of the Company. The Performance Evaluation of Independent Directors is carried out on the basis of performance evaluation criteria including their role and responsibilities, expertise, skills, leadership qualities, understanding of business, strategic direction to align company's value and standards, effective decision making ability, Initiative on knowledge updates and internal controls.

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25 of Listing Regulations, the Meeting of Independent Directors of the Company was held inter-alia to review the performance of non-independent Directors and Board as a whole, the Chairperson of the Company to assess the quality, quantity and flow of information between the management and the board. Such meeting was attended by all the Independent Directors of the Company.

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013, a comprehensive exercise for evaluation of the performances of every individual director, of the Board as a whole and its Committees and of the Chairperson of the Company has been carried by your Company.

For the purpose of carrying out performance evaluation exercise, three types of evaluation forms were devised in which the evaluating director has allotted to the individual director, the Board as a whole, its Committees and the Chairperson appropriate rating on the scale of five (as per the Performance Evaluation Policy).



Such evaluation exercise has been carried out:

- (i) of Independent Directors by the Board;
- (ii) of Non-Independent Directors by all the Independent Directors in separate Meeting held for the purpose;
- (iii) of the Board as a whole and its Committees by all the Independent Directors in separate Meeting held for the purpose;
- (iv) of the Chairperson of your Company by the Independent Directors in separate Meeting after taking into account the views of the Executive/ Non-Executive Directors;
- (v) of the Board by itself.

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

The Independent Director of the Company are evaluated by the Non-Executive Directors and the other Directors of the Board. The criteria's for the evaluation of the Independent Directors are:

- a. Prior preparation and detailed study of the matters to be discussed at the Meetings of Board and members;
- b. Participation in deliberations and bringing relevant experience to the board table at its various Meetings;
- c. Devotion of sufficient time and attention to his responsibilities;
- d. Awareness of company's code of conduct or ethics policy and its compliance in true spirit;
- e. Proper assistance is provided by them in protecting the legitimate interest of the Company, Shareholder and Employees;
- f. Contribution made by them in important decisions making, in planning the strategies formulated by the management for progress of the Company and promoting the objects of the Company for the benefit of the Company's stakeholders;
- g. Assistance provided by them to the Board of Directors in implementing the best corporate governance practices;
- h. Abidance with the fiduciary duties and the accompanying liabilities that had come by reason of their appointment;
- i. Attendance and/or assistance provided in organizing special events on behalf of the Board;
- j. Specific contributions made during the year under review and if such contributions have made a positive effect on the governance of the Company.

5. STAKEHOLDER'S RELATIONSHIP COMMITTEE / SHAREHOLDERS' GRIEVANCE COMMITTEE:

In order to provide quality and efficient services to the investors and to align & streamline the process of share transfer/ transmission, Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Company has constituted Shareholder Grievance 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 composition of the Shareholders Grievance Committee as on March 31, 2016 is as under:-

1. Mr. Samay Koradia, Non-Executive Independent Director as Chairman;
2. Mr. Sameep Shah, Non-Executive Independent Director as Member;
3. Mr. Himanshu Shah, Executive Director as Member;

Mr. Dilip Shah has been designated as the Compliance Officer of the Company.

b. Meeting of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee Meetings:-

During the accounting year 2016-2017, 1 Meeting of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee were held on 14th August, 2016

c. The functions of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee Meetings include the following:-

- 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.

d. Investor Grievance Redressal:

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

Type of Complaints	No. of complaints
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.	-
TOTAL	NIL

All valid share transfers received during the accounting year ended March 31, 2017 have been acted upon. There were no share transfers pending as on March 31, 2017, for more than 30 days.

The Shareholders Grievance Committee/Stakeholders Relationship Committee continued to function effectively and held one meeting during the year under review. It continued to attend the matters related to Share Transfers and redressal of Shareholders' complaints. The complaints and grievances of shareholders received were duly attended by the Committee and as of now no complaints are pending.

**6. GENERAL BODY MEETINGS:****a. The particulars of last three Annual General Meetings are as under:-**

Financial Year	Day and Date	Location	Time
2013-2014	Tuesday 30th September, 2014	7-A Nussar House, Gr Floor, Opp. Panchratna Bldg, Opera House, Mumbai- 400004	10:00 A.M.
2014-2015	Wednesday 30th September, 2015	7-A Nussar House, Gr Floor, Opp. Panchratna Bldg, Opera House, Mumbai- 400004	11:00 A.M.
2015-16	Friday 30th September, 2016	7-A Nussar House, Gr Floor, Opp. Panchratna Bldg, Opera House, Mumbai- 400004	9 :30 A.M.

b. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the year.

c. Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern.

During the year under review, no resolution has been passed through the exercise of postal ballot.

7. Familiarisation Programmes for Independent Directors

The details of the familiarisation programme for Independent Directors have been provided in the Director's Report.

8. Evaluation of Board and Committee

The Companies Act 2013, rules thereunder and the Listing Agreement provide that the Annual Report of the Company shall disclose the following:

- Manner in which formal performance evaluation of the Board, its Committees, and Individual Directors has been carried out;
- Evaluation criteria.

The details of evaluation of Board, Committee(s) and Chairman of the Board have been provided in the Directors' report.

9. DISCLOSURES:

- There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- The Company has complied with the requirements of the Bombay Stock Exchange (BSE), the Securities and Exchange Board of India (SEBI) and Statutory Authorities on all matters related to capital markets. Fine as imposed by BSE listing department during the reporting quarter, has been duly paid and settled by the company.
- Pursuant to Listing Regulations and Companies Act, 2013, the Company has in place an adequate and functional vigil mechanism i.e. Whistle Blower Policy for directors, employees and others to report genuine concerns. Further no one has been denied access to the Audit Committee.
- Your Company has complied with all the mandatory requirements of the Listing Regulations, as applicable. Though the Company does not comply with some of the non-mandatory requirements on date, the Company is committed towards complying with Listing Regulations as a whole and will take suitable measures as and when required.
- During the Financial Year 2016-17, requisite information as mentioned in Listing Regulations has been placed before the Board for its consideration.



The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

- The Company has no material' subsidiaries and hence has not adopted policy for determining 'material' subsidiaries pursuant to Clause 16 (c) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")
- Code of Conduct: The Board of Directors has adopted the Business Ethics Policy and Code of Conduct 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.
- In compliance with the SEBI (Prevention of Insider Trading) Regulations, 2015, our Company has appointed Mr. Dilip Shah as Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, preclearance 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 as per SEBI (Prevention of Insider Trading) Regulations, 2015, and the same shall be uploaded on the website of the Company in due course
- In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992 (now SEBI (Prevention of Insider Trading) Regulations, 2015), your Company has adopted the Insider Trading Code for prevention of Insider Trading with a view to regulate trading in securities by the directors and designated employees of your Company. The Code requires pre-clearance for dealing in your Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to your Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

10. MEANS OF COMMUNICATION:

- The Quarterly and Half-Yearly results of the Company are published in English and Hindi National dailies. The Financial results are also displayed on the website of the Company www.minidiamonds.net
- The Management Discussion and Analysis Report forms a part of this Annual Report, which is sent to each member by post.
- The Company informs the Stock Exchanges about all price sensitive matters or such other matters which are material and of relevance to the shareholders.

11. GENERAL SHAREHOLDER INFORMATION:

I. Annual General Meeting:

- Date : 27th September, 2017
- Time : 09.30 A.M
- Venue: Registered Office of the Company
- Financial Year ended : 1st April , 2016 to 31st March, 2017
- Date of Book Closure : 20th September, 2017 to 27th September, 2017 (both days inclusive).

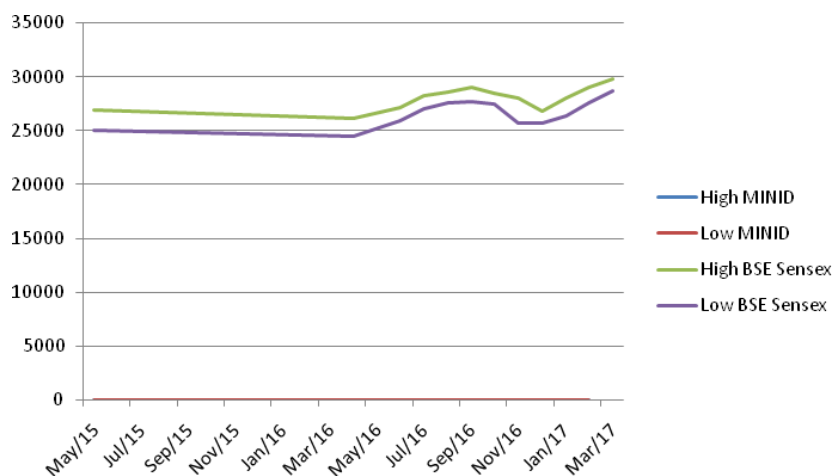
II. Market information

- Listing on Stock Exchange: The Bombay Stock Exchange Limited
- Listing fee for the year 2016-17 has been paid to the Stock Exchange.
- Stock Code- 523373 on The Bombay Stock Exchange, Mumbai
- ISIN No. NSDL & CDSL : INE281E01010
- Corporate Identification No.: L36912MH1987PLC042515



- Market Price Data: High / Low price during each Month of 2016-17 on The Bombay Stock Exchange Limited and BSE Sensex are as under:

Month	MINID		BSE Sensex		No. of Share Trade
	High	Low	High	Low	
April-16	4.58	4.36	26100.54	24523.2	572
May-15	4.34	3.93	26837.2	25057.93	960
June-16	-	-	27105.41	25911.33	-
July-16	-	-	28240.20	27034.14	-
Aug-16	-	-	28532.25	27627.97	-
Sep-16	-	-	29077.28	27716.78	-
Oct-16	-	-	28477.65	27488.3	-
Nov-16	-	-	28029.80	25717.93	-
Dec-16	-	-	26803.76	25753.74	-
Jan-17	-	-	27980.39	26447.06	-
Feb-17	-	-	29065.31	27590.1	-
March- 17	-	-	29824.62	28716.21	-



III. Share Transfer System and other related matters:

Registrar and Share Transfer Agent

For both physical & demat segments:

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.: 91-22-2301 6761 / 8261
Fax No.: 91-22-2301 2517
Email: purvashr@mtnl.net.in



- **Share Transfer System:**

The shares lodged for transfer are processed by the Registrar and Share Transfer Agent and are approved by Stakeholder's Relationship Committee / Shareholders' Grievance Committee. Shares sent for transfer in physical form are registered and returned within a period of 15 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 Transfer Agent and confirmations given to the depositories within the prescribed time limit.

- **Nomination Facility for Shareholding :**

As per the provisions of the Companies Act, 2013, 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 Share Transfer agent of the Company.

- **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. Unit no. 9, Shiv Shakti Ind. Estt., J .R. Boricha marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai 400 011

Tel. No.: 91-22-2301 6761 / 8261

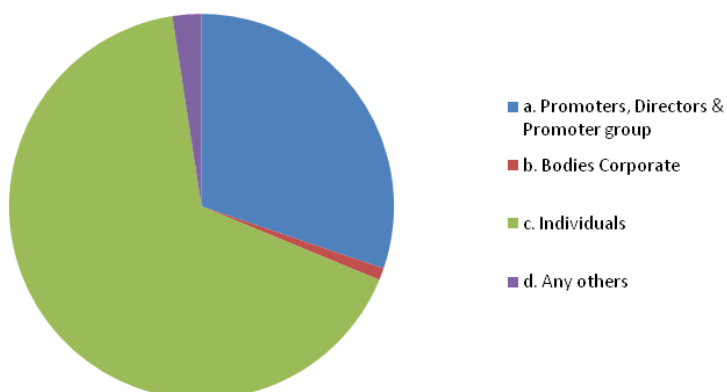
Fax No.: 91-22-2301 2517

Email: purvashr@mtnl.net.in

Shareholding Pattern as on 31.03.2017:

Category	No. of shares held	Percentage to total (%)
a. Promoters, Directors & Promoter group	10,43,200	30.24
b. Bodies Corporate	34,917	1.01
c. Individuals	22,88,280	66.30
d. Any others	83,603	2.42
Total	3450000	100

Share Holding





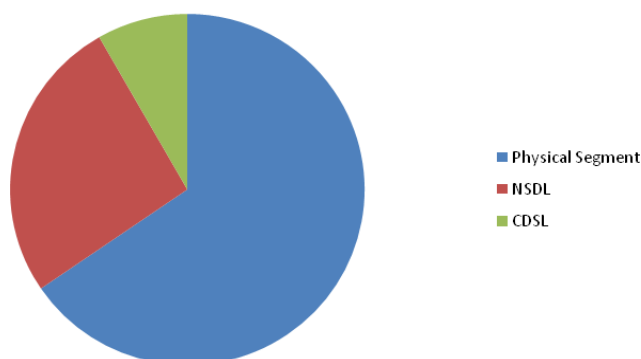
- Dematerialization of Shares:**

The Shares of the Company can be held and traded in electronic form. As on March 31, 2017, 11,93,500 of total shares of the Company were held in demat form.

Break up of shares in physical and demat form as of 31st March, 2017:

No. of Share	Percentage of Shares
Physical Segment	65.47
Demat Segment :	
NSDL	26.25
CDSL	8.28
Total	100.00

% of Shares



- Outstanding GDRs/ ADRs: Nil / Warrants or any convertible Instrument, conversion date and likely impact on equity
- Plant Location: Not Applicable

Address for Correspondence: Mini Diamonds (India) Ltd
Office no. DE-8082, Bharat Diamond Bourse, Bandra kurla Complex,
Bandra (East), Mumbai, Maharashtra, 400051
Website: www.minidiamonds.net

12. CODE OF CONDUCT:

Pursuant to Listing Regulations, the Board of Directors has laid down a Business Ethics Code & Code of Conduct for Board Members and Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year 2016-17.

13. CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

The Code of Conduct for Independent Directors ('Code') has been adopted by the Company to comply with the Section 149, read with Schedule IV under the Companies Act, 2013 ('Act') and such other rules and regulations as applicable.

The Code is a guide to professional conduct for Independent Directors. It is believed that adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators in the institution of independent directors.

Further pursuant to the provisions of Act and the Listing Agreement, Independent Directors of the Company hold at-least one meeting in a financial year without attendance of Non-Independent Directors and the members of the Management.

**14. Policy on Prohibition of Insider Trading**

The Company has in place a Code of Conduct for Prohibition of Insider Trading and Code for Fair Disclosure ('the Code') pursuant to Section 195 of the Companies Act, 2013, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company has instituted reporting system to prevent insider trading by employees, as applicable, and also takes periodic disclosures from them as stipulated in the said Code of Conduct. Further, Company has put in place a 'Pre-Intimation / Pre-Clearance of Trade' mechanism which makes it mandatory for all the designated employees to pre-intimate / obtain prior approval, before dealing in Company's securities, depending upon respective minimum threshold limit set out in the said Code. Pursuant to the Code, all the designated employee(s) of the Company are also required to inform his/her shareholding in the Company, if any, as on the date of joining, being promoted to the designation, subject to the Insider Trading Code and at the time of leaving the organization. The Code of Conduct also provides for post transaction disclosure(s) based on which the Company makes filing with the Stock Exchange(s), pursuant to the relevant SEBI Regulations.

15. CEO/ CFO CERTIFICATION:

The Managing Director of the Company gives Annual Certification on Financial Reporting and Internal Controls to the Board in terms of Listing Regulations. The Managing Director and the Chief Financial Officer also gives quarterly certification on financial results to the Board in terms of Regulation 33 (2) (a) of the Listing Regulations. A declaration to this effect, signed by the Managing Director forms part of this report. (Annexure I)

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

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, our Company has appointed Mr. Dilip Shah 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.

17. DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AS REQUIRED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015:-

In accordance with the provisions of Section 152 of the Companies Act, 2013, one-third of the total number of Directors for the time being is liable to retire by rotation. Accordingly one Directors of the Company viz. Mr. Himanshu Shah will be retiring by rotation at the ensuing Annual General Meeting of the Company. Mr. Himanshu Shah, being eligible, offers himself for re-appointment

18. CERTIFICATE ON CORPORATE GOVERNANCE:

The Certificate on Corporate Governance for Certificate on compliance with the conditions of Corporate Governance as per the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the practicing company secretaries forms part of this report (Annexure III).

19. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LISTING REGULATIONS:

The status of compliance made by the Company with discretionary recommendations of the Regulation 27 of the Listing Regulations is provided below:

The Board: Chairman's office is separate from that of the Managing Director. However, the same is maintained by the Chairman himself.

Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events posted on the Company's website, the same are not being sent to the shareholders.

Modified Opinion in Auditor's Report: The Company's financial statement for the year 2016-2017 contain modified opinion in Auditor's Report and the Board's Comment over such qualification forms part of the Director's Report.

Separate posts of Chairman and Chief Executive Officer (CEO): The Chairman of the Board is an Executive Director and his position is separate from that of the CEO.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**Annexure-VI****DETAILS OF REMUNERATION**

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the percentage increase in remuneration of each Director during the Financial Year 2016-17 are as under:

Sr. No.	Name and Designation of Director	Remuneration (in Rs.)	% Increase in Remuneration in the Financial Year 2016-17	Ratio
1.	UPENDRA N. SHAH, MANAGING DIRECTOR	480000.00	14.28% (PREVIOUS YEAR RS. 4,20,000/-	
2.	VIJAY R. GUPTA	180000.00	NO CHANGE	

- ii. The percentage increase in the median remuneration of employees in the Financial Year: No change
- iii. The number of permanent employees on the rolls of Company: 5
- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof: N/A
- v. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:
- It is hereby affirmed that the remuneration paid is as per the Policy for Nomination & Remuneration of the Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board

Sd/-
Upendra Shah
DIN: 00748451
Chairman

Place : Mumbai
Date : 11/08/2017



Details pertaining to remuneration as required under Section 197(12) read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) Top ten employees of the Company in terms of remuneration drawn during the year:

Sr. No.	1	2	3	4	5	6
Name	Ronish U Shah	Meena U Shah	Deepa Munim	Rajendra B Shah	Sheetal Shah	Prashant Chauhan
Designation	Finance Manager	Administrator	Accountant	Sales Manager	Accountant	Senior Accountant
Remuneration paid	4,20,000	4,20,000	2,52,000	2,52,000	2,52,000	3,00,000
Nature of employment	Finance Management	Administration	Accounts	Selling	Maintain Stock	Taxation
Qualifications	B.Com+GIA Graduate	B.Com	B.Com	B.Sc	B.Com	B.Com
Experience	10 years	40 years	25 years	25 years	20 years	6 years
Date of commencement of employment	10.02.2006	23.01.1995	01.10.2006	15.06.1992	01.05.2011	01.06.2016
Age	31	61	45	57	42	27
Previous Employment	No	No	No	No	No	H Sherul& Co.
Percentage of equity shares held in the Company along with his spouse and dependent children	34628	262000	-	-	-	-
Whether relative of Director or Manager	Son of Director	Wife of Director	-	-	-	-

For and on behalf of the Board

Sd/-
Upendra Shah
DIN: 00748451
Chairman

Place : Mumbai
Date : 11/08/2017

**FORM NO. 3CA****[See rule 6G(1)(a)]**

Audit report under section 44AB of the Income Tax Act, 1961, in a case where the account of the business or profession of a person have been audited under any other law.

1. We report that the statutory audit of **M/s. Mini Diamonds (India) Ltd.** at 7/A, NUSSER HOUSE, MAMA PARMANAND MARG, OPERA HOUSE, MUMBAI, MAHARASHTRA, 400004, **PAN: AAACM5082D** was conducted by us **M/s. V.A. Parikh & Associates LLP** in pursuance of the provisions of the Companies Act, 2013 and we annex hereto a copy of our audit report dated May 30, 2017 along with a copy of each of:-
 - a. the audited Statement of profit and loss for the period beginning from **April 01, 2016** to ending on **March 31, 2017**
 - b. the audited balance sheet as at, **March 31, 2017**; and
 - c. documents declared by the said Act to be part of, or annexed to, the Statement of profit and loss and balance sheet.
2. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.
3. In *my / our opinion and to the best of *my / our information and according to examination of books of account including other relevant documents and explanations given to *me / us, the particulars given in the said Form No.3 CD are true and correct subject to the following observations/qualifications:
 - a. Balances appearing to the debit or credit of various parties are subject to confirmation and reconciliation,
 - b. Our reliance, because it is a technical matter, on certification by a partner, in respect of valuation of stock-in-trade of diamonds.

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

Place : Mumbai
Date : May 30, 2017

(Nirav R. Parikh)
Partner
Membership No. 121674

**INDEPENDENT AUDITOR'S REPORT**

To,
The Members of **MINI DIAMONDS (INDIA) LIMITED**

Report on the Financial Statements

We have audited the attached financial statements of Mini Diamonds (India) Limited ("The Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for Qualified Opinion

The Company has not made provision of its obligation under the defined benefit plan viz: Gratuity, which constitutes a departure from the Accounting Standard 15 "Employee Benefits" referred to in section 133 of the Act.

Qualified Opinion

In our opinion, and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements, give the information required by the Act, in the manner so required and gives, a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017, and its Statement of profit/loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the Annexure A statement on the matters specified in paragraphs 4 and 5 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
 - c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - d. With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure B.
 - e. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - f. Except for the matter described in the basis for qualified opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the Management.

For V. A. Parikh & Associates LLP
Chartered Accountants
F. R. No: 112787W/100073

Place : Mumbai
Date : May 30, 2017

(Nirav R. Parikh)
Partner
Membership No. 121674

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT****Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Mini Diamonds (India) Ltd. ("The Company"), as of 31st March, 2017 in conjunction with our audit of standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. A. Parikh & Associates LLP
Chartered Accountants
F. R. No: 112787W/100073

Place : Mumbai
Date : May 30, 2017

(Nirav R. Parikh)
Partner
Membership No. 121674



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Re: MINI DIAMONDS (INDIA) LIMITED

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, all the assets have been physically verified by the Management at the end of the accounting year and no material discrepancies were noticed on physical verification as compared to the book records.
- c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
2. As explained to us, the Stock of finished goods and raw-materials has been physically verified by the management at the end of the accounting. In our opinion, and according to the information and explanations given to us, the frequency of verification is reasonable and the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification as compared to the book records.
3. In our opinion, and according to the information and explanations given to us, the Company has granted loan, unconditional and interest free, to a firm and other parties covered under the provisions of Section 185 and 186 of the Companies Act, 2013. The number of parties involved is one, the aggregate loan amount is Rs. 23,34,600/- , maximum amount involved is Rs. 23,34,600/- and yearend balance is Rs. 1,054,720/-.
4. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
5. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
6. a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Customs Duty, Cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, following undisputed amounts payable have remained outstanding as at 31st March, 2017 for a period more than six months from the date they became payable:

Name of the Statute	Nature of Dues	Amount (Rs.)	Month / Financial Year	Due Date
Income Tax Act, 1961	Self-Assessment Tax	2,790,000	2015-16	30th September of the previous Financial year

- b) According to the records of the Company, there were no dues of income tax or sales tax or wealth tax or Service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any Financial Institution or Bank.
9. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not obtained any term loans.
10. In our opinion and according to the information and explanations given to us no fraud on or by the Company has been reported during the year.
11. The Company has paid managerial remuneration provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.



12. The Clause regarding Nidhi Company has not been applied to our company therefore the reporting under this clause does not arise.
13. In our opinion and according to the information and explanations given to us, the Company has properly disclosed the all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 in the Financial Statements as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as per the Provision of Section 42 of the Companies Act, 2013.
15. In our opinion and according to the information and explanations given to us, the Company has not entered any Non-Cash transaction with the directors or persons connected with him as per Provision of Section 192 of the Companies Act, 2013.
16. The Company does not require to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 therefore the reporting under this clause does not arise.

For V. A. Parikh & Associates LLP
Chartered Accountants
F.R. No: 112787W/100073

Place : Mumbai
Date : May 30, 2017

(Nirav R. Parikh)
Partner
Membership No. 121674



Balance Sheet as at 31st March, 2016-2017

PARTICULARS	Note No.	AS AT 31.03.2017	AS AT 31.03.2016
I. EQUITY & LIABILITIES :-			
(1) Shareholders Funds			
(a) Share Capital	1	34,500,000	34,500,000
(b) Reserves & Surplus	2	25,228,332	22,114,551
(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)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short Term Borrowings	3	243,365,812	169,097,552
(b) Trade Payables	4	541,421,331	968,527,534
(c) Other Current Liabilities	5	68,759,997	60,886,943
(d) Short Term Provisions	6	4,865,000	5,660,000
TOTAL		<u>918,140,472</u>	<u>1,260,786,580</u>
II. Assets			
(1) Non-Current Assets			
(a) Fixed Assets	7	9,522,111	8,840,314
i) Tangible Assets		-	-
ii) Intangible asset		-	-
iii) Capital Work-in-progress		-	-
iv) Intangible assets under development		-	-
(b) Non-current Investments		919,347	584,644
(c) Deferred Tax Assets (Net)		378,570	332,262
(d) Long Term Loans & Advances	8	27,191	1,275,362
(e) Other Non-Current Assets	9	1,275,362	20,000
(2) Current Assets			
(a) Current Investments	10	-	-
(b) Inventories	11	140,650,049	401,781,298
(c) Trade Receivables	12	758,100,802	705,403,126
(d) Cash & Cash Equivalents	13	4,289,246	3,518,631
(e) Short Term Loans & Advances	14	3,399,301	138,376,143
(f) Other Current Assets		853,855	674,800
TOTAL		<u>918,140,472</u>	<u>1,260,786,580</u>

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 LLP
Chartered Accountants

For and on behalf of the Board

(Nirav Parikh)
Partner
Membership No. : 121674
Place : Mumbai
Date : 30th May, 2017

Upendra Shah
Chairman & Managing Director
DIN: 00748451



Statement of Profit And Loss for the year ended 31st March 2017

Particulars	Note No.	AS AT 31.03.2017	AS AT 31.03.2016
I. Revenue From Operations	15	1,277,725,859	1,294,784,314
II. Other Income	16	835,835	907,587
III. Total Revenue (I + II)		1,278,561,694	1,295,691,901
IV. Expenses:			
i) Cost of Materials Consumed	17	1,142,433,954	834,056,111
ii) Purchases of Stock-in-Trade	18	-	400,693,943
iii) Changes in Inventories of Finished Goods Work-in-Progress And Stock-in-Trade	19	36,187,210	(30,059,750)
iv) Employee benefits expense	20	4,065,796	4,659,742
v) Finance costs	21	21,634,579	18,873,666
vi) Depreciation and amortization expense	7	1,891,218	1,682,634
vii) Other expenses	22	67,494,859	58,076,325
Total Expenses		1,273,707,616	1,287,982,671
V. Profit Before Exceptional Items (III - IV)		4,854,078	7,709,230
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		4,854,078	7,709,230
VIII. Extraordinary Items		-	-
IX. Profit before Tax		4,854,078	7,709,230
X. Tax Expense:			
Current Tax		2,075,000	2,790,000
Deferred Tax		(334,703)	(190,440)
XI. Profit/(Loss) for the year		3,113,781	5,109,670
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax Expenses on Discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit / (Loss) for the period (XI + XIV)		3,113,781	5,109,670
XII. Earnings Per Equity Share of face value of Rs. 10 each :			
Basic		0.90	1.48
Diluted		0.90	1.48

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 LLP
Chartered Accountants

For and on behalf of the Board

(Nirav Parikh)
Partner
Membership No. : 121674
Place : Mumbai
Date : 30th May, 2017

Upendra Shah
Chairman & Managing Director
DIN: 00748451

**Note 1 : Share Capital**

Particulars	Figures as at 31st March, 2017	Figures as at 31st March, 2016
Authorised Share Capital		
35,00,000 Equity shares of Rs. 10/- par value per share	35,00,000	35,00,000
Issued & Subscribed & Fully Paid Up		
34,50,000 Equity Shares of Rs, 10/- par value per share (Previous year 34,50,000)	34,50,000	34,50,000
TOTAL	34,50,000	34,50,000

The Company has only one Class of Shares referred to as Equity Shares having a par value of Rs. 10/-. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

1.1 The reconciliation of the number of shares outstanding is set out below :-

Particulars	As at 31.03.2017		As at 31.03.2016	
	No of Shares	(In Rs.)	No of Shares	(In Rs.)
Shares outstanding at the beginning of the period	3,450,000	34,50,000	3,450,000	34,50,000
Add : Shares Issued / Buy Back / Redeemed during the year	-	-	-	-
Shares outstanding at the end of the period	3,450,000	34,50,000	3,450,000	34,50,000

1.2 Details of Share held by Shareholders holding more than 5% of the aggregate Shares in the Company :-

Particulars	As at 31.03.2017		As at 31.03.2016	
	No of Shares	% of Holding	No of Shares	% of Holding
Chandrika K. Shah	335,800	9.73%	335,800	9.73%
Meena U. Shah	262,000	7.59%	262,000	7.59%
Yogesh N. Shah	245,900	7.13%	245,900	7.13%

Note 2 : Reserve & Surplus

Particulars	Figures as at 31st March, 2017	Figures as at 31st March, 2016
Surplus/(Deficit) i.e. Balance in Statement of Profit and Loss		
Balance at the beginning	22,114,551	17,004,882
Profit/(Loss) for the year	3,113,781	5,109,670
Balance at the end	25,228,332	22,114,551
Less: Appropriations		
Shortfall in Provision for Tax	-	-
Adjustment upon Adoption of Schedule II	-	-
TOTAL	25,228,332	22,114,551

**Note 3 : Short Term Borrowings**

Particulars	Annex	As at 31st March, 2017	As at 31st March, 2016	SEEPZ	Mumbai
Secured					
Loans repayable on demand					
a) From banks - Working Capital Loans	i	<u>149,378,567</u>	<u>156,566,170</u>	<u>-</u>	<u>149,378,567</u>
Unsecured					
Loans and advances from related parties		<u>93,987,245</u>	<u>12,531,382</u>	<u>-</u>	<u>93,987,245</u>
TOTAL	ii	<u>243,365,812</u>	<u>169,097,552</u>	<u>-</u>	<u>243,365,812</u>

Notes :-

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

Note 4 : Trade Payables

Particulars	Annex	As at 31st March, 2017	As at 31st March, 2016	SEEPZ	Mumbai
i. Micro, small and Medium Enterprises		-	-	-	-
ii. Others	iii	<u>541,421,331</u>	<u>968,527,534</u>	<u>7,099,774</u>	<u>534,321,557</u>
TOTAL		<u>541,421,331</u>	<u>968,527,534</u>	<u>7,099,774</u>	<u>534,321,557</u>

Note 4.1 On the basis of information and records available with the company, there are no outstanding dues as at 31st March, 2016 to the Micro and small enterprises as defined in the micro, small and medium Enterprises Development Act, 2006.

Note 5 : Other Current Liabilities

Other payables	iv	63,413,668	57,637,760	8,624,174	54,789,494
TOTAL		59,228,045	40,732,804	11,459,905	47,768,140

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

Note 6 : Short Term Provisions

Other payables	v	4,865,000	5,660,000	-	4,865,000
TOTAL		4,865,000	5,660,000	-	4,865,000

Note.6.1 Includes Provision for Income Tax

**Note 7 : Fixed Assets**

Name Of The Asset	Gross Block				Depreciation				Net Block		
	Opening Bal. As At 01.04.16	Additions During The Year	Deductions During The Year	Closing Balance As At 31.03.17	Opening Bal. As At 01.04.16	Addition During The Year	Adjustments During The Year	Adjustment upon Adoption of Schedule II	Closing Bal. As At 31.03.17	As At 31.03.17	As At 31.03.16
Office Premises	5,242,444	-	-	5,242,444	1,177,341	392,479	-	-	1,569,820	3,672,624	4,065,103
Plant & Equipment	11,068,717	2,357,589	-	13,426,306	6,974,923	1,116,172	-	-	8,091,095	5,335,211	4,093,794
Furniture & Fixture	84,318	-	-	84,318	80,102	-	-	-	80,102	4,216	4,216
Office Equipment	2,226,980	32,700	-	2,259,680	1,881,075	157,187	-	-	2,038,262	221,418	345,905
Others							-	-	-	-	-
Electrical Equipment	126,000	-	-	126,000	119,700	-	-	-	119,700	6,300	6,300
Computer	942,037	93,926	-	1,035,963	754,653	131,532	-	-	886,185	149,778	187,384
Tools & Equipment	919,075	88,800	-	1,007,875	781,463	93,848	-	-	875,311	132,564	137,612
Total	20,609,571	2,573,015	-	23,182,586	11,769,257	1,891,218	-	-	13,660,475	9,522,111	8,840,314
Previous Year	19,678,132	931,438	-	20,609,570	10,086,622	1,682,634			11,769,256	8,840,314	9,591,510

Note 8 : Long Term Loans & Advances

	Annex	As at 31st March, 2017	As at 31st March, 2016	SEEPZ	Mumbai
Unsecured, Considered Good					
Security Deposits	vi	378,570	332,262	194,403	184,167
TOTAL		378,570	332,262	194,403	184,167

Note 9 : Other Non-Current Assets

Others	vii	27,191	1,275,362	-	27,191
TOTAL		27,191	1,275,362	-	27,191

Note: 9.1 Includes Fixed Deposits with Bank having original maturity of more than twelve months

Note 10 : Inventories

Valued at cost or net realisable value whichever is lower

Raw materials	viii	119,734,285	344,678,324	8,726,397	111,007,888
Finished goods/Stock in trade		20,915,764	57,102,974	-	20,915,764
(As quantified, valued and certified by Director)					
TOTAL		140,650,049	401,781,298	8,726,397	131,923,652

Note 11 : Trade Receivables

Unsecured and considered good

Outstanding for More than 6 Months	ix	1,717,043	33,837,450	1,717,043	-
Others		756,383,759	671,565,676	3,180,861	753,202,898
TOTAL		758,100,802	705,403,126	4,897,904	753,202,898

**Note 12 : Cash & Cash Equivalents**

	Annex	As at 31st March, 2017	As at 31st March, 2016	SEEPZ	Mumbai
Balance with Bank	x	3,470,631	2,769,128	2,138,567	1,332,064
Cash on hand (Certified by directors)		818,615	749,503	94,179	724,436
TOTAL		4,289,246	3,518,631	2,232,746	2,056,500

Note 13 :Short Term loans and advances**Unsecured, Considered Good**

To related parties	xi	1,054,721	136,522,227	-	1,054,721
Others		2,344,580	1,853,916	620,984	1,723,596
TOTAL		3,399,301	138,376,143	620,984	2,778,317

Note 13.1 Others includes Prepaid Expenses and Taxes Deducted & Taxes Recoverable.**Note : 14 : Other Current Assets :-**

Others	xii	853,855	674,800	-	853,855
TOTAL		853,855	674,800	-	853,855

Note 14.1 Includes Advances Given.**Note 15 : Revenue From Operation**

Sale of Products - Gems & Jewellery	xiii	1,230,586,660	1,255,555,715	14,289,440	1,216,297,221
Exchange Gain/(Loss)		(1,501,062)	2,037,080	(94,552)	(1,406,510)
Other Operating Revenues					
Sundry Balances written off for Creditors		17,591,256	-	4,644,442	12,946,814
Job Work Charges		31,049,005	37,191,519	31,049,005	-
Less: Credit note issued for Mar'14		-	-	-	-
TOTAL		1,277,725,859	1,294,784,314	49,888,335	1,227,837,524

**Note 16: Other Income**

	Annex	For the year 2016-17	For the year 2015-16	SEEPZ	Mumbai
Rent Income		780,000	780,000	-	780,000
Interest Income		2,204	60,954	-	2,204
Export Rebate		-	66,633	-	-
Sundry Balances W/Off		53,631	-	-	53,631
TOTAL		835,835	907,587	-	835,835

Note 17: Cost of Materials Consumed

Opening Stock		344,678,323	250,568,195	9,150,963	335,527,360
Add: Purchases	xiv	917,489,917	928,166,239	13,156,695	904,333,222
Less: Closing Stock		119,734,285	344,678,323	8,726,397	111,007,888
TOTAL		1,142,433,954	834,056,111	13,581,261	1,128,852,694

Note 18: Purchase of Stock in Trade

Purchase of stock in trade		-	400,693,943	-	-
TOTAL		-	400,693,943	-	-

Note 19 : Changes in Inventories of Finished Goods, Work-in-Progress And Stock-in-Trade

Opening stock					
Finished Goods/Stock-in-Trade		57,102,974	27,043,224	-	57,102,974
Closing Stock					
Finished Goods/Stock-in-Trade		20,915,764	57,102,974	-	20,915,764
TOTAL		36,187,210	(30,059,750)	-	36,187,210

Note 20: Employees benefits expense

Salary		3,172,000	2,855,000	-	3,172,000
Staff Welfare Expenses		893,796	1,804,742	735,576	158,220
TOTAL		4,065,796	4,659,742	735,576	3,330,220

Note 21: Finance Costs

Interest Expenses	xv	18,552,085	16,321,658	-	18,552,085
Other Borrowing Costs	xvi	3,082,494	2,552,008	56,943	3,025,551
TOTAL		21,634,579	18,873,666	56,943	21,577,636

Note 22: Other Expenses

Power & Fuel		4,275,962	4,599,447	3,910,867	365,095
Rent		2,351,730	2,219,111	2,051,730	300,000
Insurance Expenses		8,339	229,000	-	8,339
Payments to Auditors - Audit fees		172,500	171,750	-	172,500
Manufacturing Labour & other expenses		20,369,607	16,880,015	20,369,607	-
Establishment and other expenses	xvii	40,316,721	33,977,002	2,699,996	37,616,726
TOTAL		67,494,859	58,076,325	29,032,200	38,462,660

**Note : 23 :-****Significant Accounting Policies & Notes on Financial Statements****1. Significant Accounting Policies****a) AS – 1 Disclosure of Accounting Policies**

The financial statements have been prepared using mercantile system of accounting under the historical cost convention on a going concern basis. It recognizes significant items of income and expenditure on accrual basis.

b) AS – 2 Valuation of Inventories

Rough Diamonds & Cut and Polished Diamonds have been valued as under:

Where stocks can be identified:

At cost or net realizable value, whichever is lower.

Where the stocks are mixed:

At technically evaluated cost or net realizable value whichever is lower.

Rough Rejection Diamonds have been valued at its net realizable value.

Gold, Silver, Consumables and Alloys are Valued at Cost i.e. Cost of acquisition as on that date.

As the physical verification, examination and valuation of diamonds involving visual appraisal etc. are technical in nature, the same are fully relied upon by us on the management. According to the management, except where the stock is valued at actual cost the values assigned are the fairest possible approximations to the cost incurred or its net realizable value.

c) AS – 4 Contingencies & Events occurring after the Balance Sheet Date

There were no events occurring after the Balance Sheet date.

d) AS – 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

No prior period items and extraordinary items were noticed during the course of audit.

e) AS - 6 Depreciation Accounting

Tangible Assets

Depreciation has been provided under the written down method at the rates prescribed under schedule II of the Companies Act, 2013. In respect of the assets added/ sold during the year pro-rata depreciation has been provided.

f) AS – 9 Revenue Recognition

The income of the company, derived from sale including exchange fluctuation on exports, is recognized on the completion of sale with the passing of the title.

g) AS – 10 Accounting for Fixed Assets

Fixed assets are stated at cost of acquisition to the company including expenditure incurred up to the date the asset is put to use.

h) AS – 11 Accounting for the effects of changes in Foreign exchange rates

Transactions denominated in foreign currencies are normally recorded at the Exchange rate prevailing as on the date of transaction.

Monetary items denominated in foreign currencies at the year-end and not covered by forward contract are translated at year-end rate.

Non-monetary foreign currency items are carried at cost.



Monetary items covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and the exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation is adjusted to the profit and loss account.

i) AS – 16 Borrowing Cost

Interest & commitment charges on borrowings granted by the banks and interest on loans obtained from other parties are recognized in the Statement of Profit & Loss. No amounts of borrowing costs have been capitalized during the year.

j) AS – 17 Segmental Reporting

Primary Segment

Company has only one primary reportable segment viz Gems & Jewellery.

Secondary Segment

Details as per Geographic Region

Sales (In Rs.)	Region wise Sales (In Rs.)
UAE	14,81,04,396
Hong Kong	3,31,72,685
Belgium	7,10,18,383
TOTAL	252,295,464

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

Sr No.	Related Party	Nature of Transactions	Amount (In Rs)	Amount Outstanding as at year end (Rs.)
1	Key Management Personnel	Remuneration	4,80,000/-	NIL
		Service Charges	-	NIL
		NIL	28,28,852/-	28,28,852/-
		Loan Given (Net of received)	10,54,721/-	28,28,852/-
		Loan Repaid (Net of Receipts)	9,07,436/-	125,31,382/-
2	Associate Concern	Compensation for use of Factory Premises	3,00,000/-	218,714/-
		Purchases	122.57.957/-	NIL
		Loan Given (Net of received)	206,501,600/-	13,08,21,799/-
3	Relatives of Key Management Personnel	Loan Repaid	3,90,000/-	NIL



Key Management Personnel	Relatives of Key Management Personnel	Associate Concerns
Upendra Shah	Ronish Shah	Ronish Gems
Himanshu K. Shah	Jarin N. Shah	
	Dharmesh K. Shah	

l) AS – 20 Earnings per share

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

m) AS – 22 Accounting for Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the year after considering various reliefs admissible under provisions of the Income Tax Act, 1961.

The deferred tax for timing difference between the book profit and the tax profit for the year is accounted for using tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date.

n) AS – 28 Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account.

o) AS – 29 Provision, Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will not require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. Notes to Accounts and other disclosures

a) Earnings Per Share (EPS)

Particulars	2016-17	2015-16
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	31,13,781	51,09,670
Weighted Average number of equity shares used as denominator for calculating EPS	34,50,000	34,50,000
Nominal Value per Equity Share(Rs.)	10	10
Earning Per Share (Basic) (Rs.)	0.90	1.48

b) Value of Imports on C.I.F. basis in respect of

Particulars	2016-17	2015-16
Raw Material	719,254,232	826,997,278



c) Value of Raw material consumed

Particulars	2016-17	2015-16
Indigenous	267,813,594	84,420,007
Imported	871,100,472	749,636,104

d) Earnings in Foreign Exchange

Particulars	2016-17	2015-16
FOB value of Exports	266,584,903	299,102,495

3. In the absence of Confirmation of balances, Trade Receivables, Trade Payables and Loans and Advances are taken as per Books of Accounts and are subject to reconciliation, if any.
4. In the opinion of the Board, the Current Assets are approximately of the value stated if realized in the ordinary course of Business.
5. Previous year's figures have been regrouped and restated wherever considered necessary.

For V. A. Parikh & Associates LLP
Chartered Accountants
F. R. No: 112787W/100073

Place : Mumbai
Date : May 30, 2017

(Nirav R. Parikh)
Partner
Membership No. 121674



Date : 19/05/2016

To,
V. A. Parikh & Associates LLP
7/C, Nusser House, 20, M. P. Marg,
Opera House,
Mumbai – 400 004.

Dear Sirs,

In connection with the tax audit for the year ended 31st March 2017 as required by provisions of section 44AB of the Income Tax Act, 1961, we furnish herewith details as required to be reported in Form No. 3CD of the Income Tax Rules, 1962. However, in some of the cases, details are not ascertainable or determinable on a fair basis, we certify that the information given below is true to the best of our knowledge and belief:

1. The method of accounting followed is mercantile. We certify that there has been no change in method of accounting employed in immediately preceding previous year.
2. We value the closing stock of Rough diamonds & polished diamonds as under:
 - a. Where stocks are identified: At cost or net realizable value, whichever is lower.
 - b. Where stocks are mixed: At technically evaluated cost or net realizable value whichever is lower.

Rough Diamond Rejection is valued at net realizable value.

We further certify that the value of the closing stock as on the year end is as follows:

Particulars	Carats / Grams	Amount
Mumbai - HO		
Rough Diamonds	138759.86	97,131,902
Cut & Polished Diamonds	994.05	17,395,875
Seepz – Branch		
Colour Stones	1217.19	3,69,626
Alloy	7791.17	1,28,307
Gold	2028.27	5,037,867
Mountings	45.46	1,12,720
Silver	3430.55	2,12,694.10
Cut & Polished Diamonds	125.92	2,865,183.68

3. We confirm that the inventories have been physically verified by the management during the year.
4. We confirm that the procedures of physical verification of the inventories followed by us are reasonable and adequate in relation to the size of the Company and nature of the business.
5. We confirm that the Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.
6. As regards personal expenses, we have to inform you that no personal expenses have been debited to the Statement of profit and loss.
7. We hereby certify that no amount has been borrowed on hundi during the year nor any amount borrowed on hundi including interest thereon was outstanding at the beginning of the year.



8. We hereby certify that Payment has been made to the persons covered under Section 40A(2)(b).

Name of the person	Relationship	Nature of payment	Amount in Rs.
Ronish Gems	Partnership Firm in which son of the Director is a Partner.	Purchases	12,37,61,319/-
		Compensation for Factory Premises.	3,00,000
Upendra Shah	Director	Director's Remuneration	4,80,000
		Services Charges	-

9. The Cash balance on hand on close of business as at year end was Rs. 8,18,615/- which was personally counted by the undersigned and tallied with the Cash Book.
10. There is no Forward Contracts which has been outstanding at the end of the year.
11. We hereby certify that all payments made during the year pertaining to expenditure covered u/s. 40A (3), have been made through Account Payee Cheques/ Bank Drafts.
12. We hereby certify that loans accepted and repayments made were through Account Payee Cheques/ Bank Drafts.
13. We hereby certify that we have deposited Specified Bank Notes during the period from 8th November 2016 to 30th December, 2016.

We trust that the above information shall enable you to finalize the audit and prepare the audit report as well as statement of particulars to be furnished in Form 3 CD.

Thanking You,

Yours Faithfully,

For Mini Diamonds (India) Limited

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017**

PARTICULARS	March 31, 2017 (In Rs)	March 31, 2016 (In Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	4,854,078	7,709,230
Adjustments for:		
Depreciation	1,891,218	1,682,634
Interest Paid	18,552,085	16,321,658
Rent Income	(780,000)	(780,000)
Interest Income	(2,204)	(60,954)
Operating profit before working capital changes	24,515,176	24,872,568
Adjustments for:		
(Increase)/Decrease in Inventories	261,131,249	(13,595,070)
(Increase)/Decrease in Receivables	(52,697,676)	(35,822,631)
(Increase)/Decrease in Loans & Advances	134,797,787	(121,999,773)
Increase/(Decrease) in Current Liabilities (excluding borrowing)	(420,028,149)	139,933,964
Cash generated from/(used in) operations	(52,281,613)	(6,610,942)
Direct Taxes Paid	(2,075,000)	(2,981,914)
Cash flow before extraordinary items	(54,356,613)	(9,592,856)
Extraordinary items		
Net cash from/ (used in) operating activities	(54,356,613)	(9,592,856)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	2,204	60,954
Rent Income	780,000	780,000
Movement in Loans & Advances	(46,308)	(51,753)
Movement in Other Non Current Assets	1,248,171	-
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	(2,573,015)	(263,697)
Net Cash from / (used in) investing activities	(588,948)	525,504
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(18,552,085)	(16,321,658)
Short term borrowings (Net)	74,268,260	26,255,701
Net cash from/ (used in) financing activities	55,716,175	9,934,043
Net increase / (decrease) in cash & cash equivalents(A+B+C)	770,615	866,692
Cash & cash equivalents as at 1 st April (Opening)	3,518,631	1,487,630
Cash & cash equivalents as at 31st March (Closing)	4,289,246	3,518,631

For V.A. Parikh & Associates LLP
Chartered Accountants

For and on behalf of the Board

(Nirav Parikh)
Partner
Membership No. : 121674
Place : Mumbai
Date : 30th May, 2017

Upendra Shah
Chairman & Managing Director
DIN: 00748451



**Form No. MGT-11
Proxy form**

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

MINI DIAMONDS INDIA LIMITED

Registered Office: Office no. DE-8082, Bharat Diamond Bourse, Bandra kurla Complex, Bandra (East), Mumbai, Maharashtra, 400051

CIN: L36912MH1987PLC042515

Name of the member (s):

Registered address:

E-mail Id:

Folio No/* Client Id: _____ *DP ID: _____

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

1. Name:

Address:

E-mail Id: Signature:

or failing him

2. Name:

Address:

1. To receive, consider, approve and adopt the Audited financial statement. Signature:

2. To reappoint Mr. Himanshu Shah as a Director (DIN: 00410645) who is liable to be retire by rotation and being eligible, offers himself for re-appointment. E-mail Id:

And whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the company, to be held on September 27, 2017 at 9.30 A.M at : Office no. DE-8082, Bharat Diamond Bourse, Bandra kurla Complex, Bandra (East), Mumbai, Maharashtra, 400051 and at any adjournment thereof in respect of such resolutions as are indicated below:

3. To re-appoint Mr. Upendra Shah as Managing Director of the company.

4. To authorize the board to borrow upto Rs. 20,00,00,000.

Resolution No. Signed this day of 2017

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

* Applicable for investors holding shares in electronic form.

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: Office no. DE-8082, Bharat Diamond Bourse, Bandra kurla Complex, Bandra (East), Mumbai, Maharashtra, 400051

CIN: L36912MH1987PLC042515

30th Annual General Meeting September 30, 2017

I hereby record my/our presence at the 30th Annual General Meeting of the Company (including adjournment thereof) at Office no. DE-8082, Bharat Diamond Bourse, Bandra kurla Complex, Bandra (East), Mumbai, Maharashtra, 400051 held on Wednesday, September 27th, 2017 at 9.30 A.M

Registered Folio No. _____ DP ID* _____ Client ID* _____

Address of the Shareholder _____ -

No. of Shares held _____

Full name of the Shareholder/Proxy (in block letters) _____

Signature _____

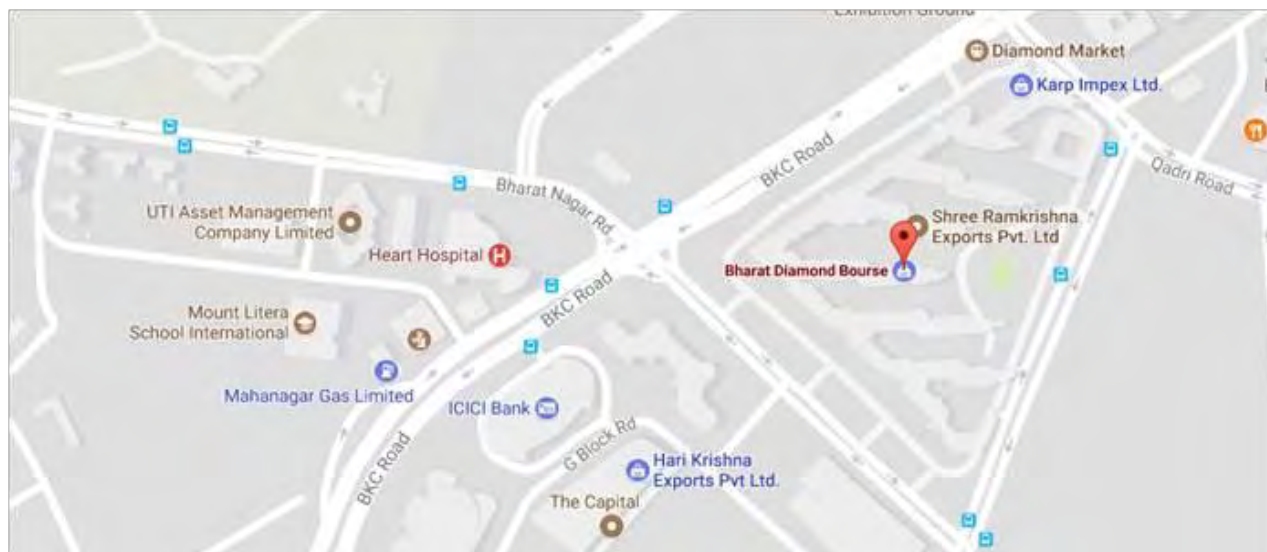
*Applicable for investors holding shares in electronic form.

Note: Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over at the entrance of the hall.



LANDMARK: Bharat Diamond Bourse

ROUTE MAP TO THE VENUE



By order of the Board of Directors

Sd/-
Upendra Shah
Chairman & Managing Director
DIN: 00748451

Date : 11/08/2017

Place : Mumbai

Registered Office:

Office no. DE-8082, Bharat Diamond Bourse,
Bandra kurla Complex, Bandra (East),
Mumbai, Maharashtra ,400051
CIN: L36912MH1987PLC042515

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If undelivered, please return to :

MINI DIAMONDS (INDIA) LIMITED

Office No.-DE-8082 Bharat Diamond Bourse,
Bandra-Kurla Complex,

Bandra (East), Mumbai 400051

Tel no.: 23671210/ 23670940

Fax: 23649910

Email: minidiamonds@yahoo.com