

# **MINI DIAMONDS (INDIA) LIMITED**

**31<sup>ST</sup> ANNUAL REPORT**

**2017-2018**



**MINI DIAMONDS (INDIA) LIMITED****31<sup>st</sup> ANNUAL REPORT 2017-2018****COMPANY INFORMATION**

<b>BOARD OF DIRECTORS</b>	Mr. Upendra N. Shah - Promoter, Chairman & Managing Director Mr. Himanshu K. Shah - Promoter & Executive Mr. Samay Koradia - Independent & Non-executive Mrs. Mihika Shah - Independent & Non-executive Mr. Dilip Jaswant Shah - Director Mr. Sameep B. Shah - Independent & Non-executive
<b>COMPANY SECRETARY</b>	Ms. Ayushi Bathiya
<b>REGISTERED OFFICE</b>	Office No.-DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East). Mumbai 400051
<b>Tel no.</b>	23671210/ 23670940
<b>Fax</b>	23649910
<b>Email:</b>	minidiamonds@yahoo.com
<b>AUDITORS :</b>	M/s. Mahendra Doshi & Associates, Chartered Accountants, ( Up to Conclusion of 31ST AGM ) Mumbai
<b>REGISTRARS &amp; SHARE TRANSFER AGENTS:</b>	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 Email: purvashr@mtnl.net.in
<b>SECRETERIAL AUDITOR</b>	M/s. Pramod S. Shah and Associates Practising Company Secreatry Mumbai



NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 31<sup>ST</sup> ANNUAL GENERAL MEETING OF MINI DIAMONDS (INDIA) LIMITED WILL BE HELD ON SATURDAY 29<sup>TH</sup> SEPTEMBER, 2018 AT 10.30 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 consider and adopt the Audited financial statement of the Company for the financial year ended March 31, 2018, 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. Dilip Shah as a Director (DIN: 01114643) who is liable to be retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. **Mittal & Associates** (firm Registration No. is 106456W) as statutory auditors and to fix their remuneration in this regard, to consider and, if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 read with rules of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the recommendation received from the Audit Committee and the Board Members consent of the Members be and is hereby accorded to Appoint M/s. **Mittal & Associates** (firm Registration No. is 106456W) as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of 36<sup>th</sup> Annual General Meeting to be held in the year 2023 at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. **Mittal & Associates**, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.

By order of the Board of Directors

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

Date: 13/08/2018

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) MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Pursuant to provision of Section 105 of the Companies Act, 2013 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.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business in respect of the Ordinary and Special Business to be transacted at the Annual General Meeting as set out in item nos. 4 to 11 of the Notice, is annexed hereto. Details under Regulation 36(3) of Securities and Exchange



Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect to the Director retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting as set out in item nos. 2 of the Notice, is also annexed.

4. 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.
5. 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.
6. 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. 20
7. 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.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22<sup>nd</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
9. 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, Purva Shareregistry India Pvt. Ltd at Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt, J. R. Boricha Marg, Lower Parel East, Mumbai, Maharashtra 400011 **Phone:** 022 - 2301 6761, [support@purvashare.com](mailto:support@purvashare.com).
10. 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.
11. 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.
12. 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.
13. 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.
14. Brief resume of Directors including those proposed to be 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.
15. 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.
16. 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 Shareregistry (India) Pvt Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Purva Shareregistry (India) Pvt Ltd.
17. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, Purva Shareregistry Pvt Ltd



18. 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;
19. 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.
20. E- voting:

- a) Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 [(including any statutory modification(s) or re-enactment thereof for the time being in force), as amended by the Companies (Management and Administration) Amendment Rules, 2015] and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 31<sup>st</sup> 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) at the link [www.evotingindia.com](http://www.evotingindia.com). 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](http://www.evotingindia.com);
- ii. Click on "Shareholders" tab;
- Now, select the Electronic Voting Sequence Number "EVSN" along with MINI DIAMONDS (INDIA) LIMITED from the drop down menu and click on "SUBMIT";
- iii. 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.
- iv. Next enter the Image Verification as displayed and Click on Login;
- v. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used;
- vi. 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>
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- vii. After entering these details appropriately, click on "SUBMIT" tab;
  - viii. 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;
  - ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
  - x. Click on the EVSN on which you choose to vote;
  - xi. 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;
  - xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details;
  - xiii. 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;
  - xiv. 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.
  - xv. 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;
  - xvi. 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.
  - xvii. Scanned Copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com);
  - xviii. After receiving the login details compliance user should be created. The compliance user would be able to link the accounts(s) on which they wish to vote on;
  - xix. 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;
  - xx. 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;
  - xxi. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Saturday, September 22, 2018 may obtain the login ID and password by sending a request. However if the member is already registered with CDSL for remote e-voting, then he/she can use his/her existing User ID and Password for casting the vote.
- In case of members receiving the physical copy:  
Please follow all steps from sl no. (i) to sl no. (xxii) above to cast votes;
- d) The e-voting period begins from 25<sup>th</sup> September, 2018 at 9.00 A.M. to 28<sup>th</sup> September, 2018 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 22<sup>nd</sup> September, 2018, 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](http://www.evotingindia.com) under help section or write an email to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com) or contact Mr. Upendra N Shah, Managing Director, on Phone no. 02226756071/72 or email id: [minidiamonds9@gmail.com](mailto:minidiamonds9@gmail.com).
  - f) Mr. Pramod S. Shah, Managing Partner or in his absence Mr. Saurabh Shah, Corporate Advisor of M/s. Pramod S. Shah & Associates, Practising Company Secretaries have 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 authorized by him in writing who shall countersign the same.
  - g) The results declared along with the Scrutinizer's report shall be placed on the website of the Company i.e. [www.minidiamonds.net](http://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.
  - h) Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Annual General Meeting i.e. September 29, 2018.
21. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 states that except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence the members are requested to take action for dematerialisation of shares before 5<sup>th</sup> December, 2018; otherwise they might lose their right to transfer the same.
  22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
  23. The route map showing direction to reach the venue of 31<sup>st</sup> AGM is annexed at the end of Notice, as per the requirement of 'Secretarial Standard 2' (SS-2) for general meeting.

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

**Date:** 13/08/2018

**Place:** Mumbai

**Registered Office:**

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

**CIN:** L36912MH1987PLC042515

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 (THE 'ACT')

### Item No. 3

#### To appoint Statutory Auditors and to fix their remuneration.

**This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.**

The tenure of statutory auditor M/s V. A Parikh & Associates got over on 31<sup>st</sup> March, 2017; however, the same auditor has given Limited Review Report for the quarter ended June 2017 also. Later it was found that the auditor was liable to vacate his position to compliance with section 139(2) of the Companies Act, 2013.

In the Extra Ordinary General Meeting of the members held on 21<sup>st</sup> February, 2018 Company appointed **M/s. Mahendra Doshi & Associates** as statutory auditor of the company till the conclusion of the ensuing Annual General Meeting to fill the casual vacancy arises due to resignation of previous Statutory Auditor.



The tenure of M/s. Mahendra Doshi & Associates is getting over in the ensuing Annual General Meeting (i.e 31<sup>st</sup> AGM) therefore the Members hereby requested to consider appointment of M/s. Mittal & Associates (**firm Registration No. is 106456W**) as Statutory Auditor of the Company for a period of 5 years at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. Mittal & Associates & Associates, plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.

The Company has received letter of eligibility to be appointed as auditors under the relevant provisions of Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 from M/s. Mittal & Associates.

The Ministry of Law and Justice (Legislative Department) on 3rd January, 2018 published the Companies (Amendment) Act, 2017, No. 1 of 2018, an Act further to amend the Companies Act, 2013, in specific relation to amendment to Section 139 of the Companies Act, 2013, which state that in Section 139 (1), the first proviso shall be omitted. The first proviso state that "provided that the Company shall place the matter relating to such appointment for ratification by members at every Annual General Meeting"

As per Notified Section the requirement of ratification by members at every Annual General Meeting is done away with.

Accordingly, consent of the members is being sought for appointment of Statutory Auditors as per the proposal contained in the Resolution set out at item no. 3 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval of the Members.

## 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 **31<sup>st</sup> Annual General Meeting** (Pursuant to Listing Regulations and other applicable regulations)

#### Item No. 2

1. Name: Mr. Dilip Shah
2. DIN: 01114643
3. Age: 61
4. Profession: Business
5. Qualification: Graduate
7. Expertise in specific functional area: Diamond Market
8. Relationship with other directors: NA
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: 7
12. Shares held in the Company as on the date of Notice: NA



## Boards' Report

To,  
The Members  
Mini Diamonds (India) Limited.

Your Directors are pleased to present the Thirty First Annual Report of the Company along with Audited Financial Statements and Auditor's Report for the financial year ended 31<sup>st</sup> March, 2018. The Management Discussion and Analysis report forms a part of this report.

### The State of the Company's Affairs:

#### 1. Key Financial Highlights:

The financial performance of your Company for the financial year ended 31<sup>st</sup> March, 2018 is summarized below:

Particulars	Standalone Financials	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Revenue from operations	1,222,718,588	1,277,725,859
Other Income	782,444	835,835
<b>Total Income</b>	<b>1,223,501,032</b>	<b>1,278,561,694</b>
Earnings before Depreciation and Amortization	173,218	6,745,296
Less: Depreciation and Amortization	1,578,514	1,897,072
<b>Net Profit before Exceptional items &amp; Taxes</b>	<b>3,594,704</b>	<b>4,848,224</b>
Less: Exceptional items (Loss)	(197,590)	-
<b>Net Profit for the year before Taxes</b>	<b>3,397,114</b>	<b>4,848,224</b>
<b>Less: Provision for Taxes</b>		
Current Tax	1,180,000	2,075,000
Deferred Tax Assets	(815,558)	(332,677)
(Excess)/ Short Provision for tax of earlier years	-	-
<b>Profit after tax</b>	<b>3,032,672</b>	<b>3,105,901</b>

#### Financial Performance

During the year under review your Company has reported a Total Revenue of INR 1,223,501,032/- out of which non-operating revenue is INR 782,444/-. Total Revenue has decreased by INR 55,060,662/- as compared to the previous year.

**2. Dividend:**

Your Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2018 due to conservation of profits and 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 has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:**

Trading of Shares of Company was suspended by Bombay Stock Exchange ('BSE') since December, 2015. The Company had applied for revocation of suspension. During the reporting period BSE vide its notice has ordered for revocation of suspension. Detailed information of the same is mentioned below at point 26.

**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 17-18	Financial Year 16-17
Earnings in Foreign Currency	NIL	NIL
Expenses in Foreign Currency	NIL	NIL

**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 2017-18 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 7 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	*29 <sup>th</sup> May, 2017	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) Himanshu Kailas Shah 2) UpendraNarottamdas Shah 3) DilipJaswant Shah 4) SamayYogeshKoradia 5) Sameep Bharat Shah 6) Mihika Bharat Shah	None
2	11 <sup>th</sup> August, 2017	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) Himanshu Kailas Shah 2) UpendraNarottamdas Shah 3) DilipJaswant Shah 4) SamayYogeshKoradia 5) Sameep Bharat Shah 6) Mihika Bharat Shah	None
3	14 <sup>th</sup> November, 2017	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) Himanshu Kailas Shah 2) UpendraNarottamdas Shah 3) DilipJaswant Shah 4) SamayYogeshKoradia 5) Sameep Bharat Shah 6) Mihika Bharat Shah	None
4	23 <sup>rd</sup> November, 2017	Office no. DE-8082, Bharat Diamond Bourse, Bandrakurla Complex, Bandra (East), Mumbai ,Maharashtra ,400051	1) Himanshu Kailas Shah 2) UpendraNarottamdas Shah 3) DilipJaswant Shah 4) SamayYogeshKoradia 5) Sameep Bharat Shah 6) Mihika Bharat Shah	None
5	14 <sup>th</sup> December, 2017	Office no. DE-8082, Bharat Diamond Bourse, Bandrakurla Complex, Bandra (East), Mumbai ,Maharashtra ,400051	1) Himanshu Kailas Shah 2) UpendraNarottamdas Shah 3) DilipJaswant Shah 4) SamayYogeshKoradia 5) Sameep Bharat Shah 6) Mihika Bharat Shah	None



6	14 <sup>th</sup> February, 2018	Office no. DE-8082, Bharat Diamond Bourse, Bandrakurla Complex, Bandra (East), Mumbai, Maharashtra, 400051	1) Himanshu Kailas Shah 2) Upendra Narottamdas Shah 3) Dilip Jaswant Shah 4) Samay Yogesh Koradia 5) Sameep Bharat Shah 6) Mihika Bharat Shah	None
7	23 <sup>rd</sup> March, 2018	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) Himanshu Kailas Shah 2) Upendra Narottamdas Shah 3) Dilip Jaswant Shah 4) Samay Yogesh Koradia 5) Sameep Bharat Shah 6) Mihika Bharat Shah	None

\*Board Meeting was scheduled to be held on 22<sup>nd</sup> May, 2018 which was adjourned to 29<sup>th</sup> May, 2018.

#### 10. Change in Directors and key managerial personnel.

There have been no changes in Directors and Key Managerial Personnel during the reporting period. Changes post reporting period upto date of this report: Mr. Vijay Gupta (Company Secretary and Compliance Officer) resigned w.e.f from 30<sup>th</sup> May, 2018.

Board has appointed Ms. Ayushi Bathiyaas Company Secretary and Compliance Officer of the Company w.e.f from 30<sup>th</sup> May, 2018 and Mr. Ronish Shah as Chief Financial Officer w.e.f from 1<sup>st</sup> June, 2018.

#### 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 had 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. Samay Koradia- Non-Executive and Independent Director

**Members:** 1) Mr. Sameep Shah- Non-Executive and Independent Director

2) Mrs. Mihika Shah -Non-Executive and Independent Director

Meetings of Nomination and Remuneration Committee:

Sr. No.	Date of Meetings	Venue and time of the meeting	Members present	Members to whom Leave of absence was granted
1	14 <sup>th</sup> February, 2018	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) Samay Yogesh Koradia 2) Sameep Bharat Shah 3) Mihika Bharat Shah	None

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 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. Samay Koradia, Non-Executive and Independent Director

2) Mrs. Mihika Shah, Non-Executive and Independent Director



**Secretary: Mr. Vijay Gupta**, Company Secretary of the Company shall act as Secretary of the committee. However Mr. Vijay Gupta (Company Secretary) resigned w.e.f from 30th May, 2018 & Ms. Ayushi Bathiya as Company Secretary and Compliance Officer of the Company w.e.f from 30<sup>th</sup> May, 2018.

**Meetings of Audit Committee:**

Sr. No.	Date of Meetings	Venue and time of the meeting	Members present	Members to whom Leave of absence was granted
1	29 <sup>th</sup> May, 2017	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) SamayYogeshKoradia 2) Sameep Bharat Shah 3) Mihika Bharat Shah	None
2	11 <sup>th</sup> August, 2017	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) SamayYogeshKoradia 2) Sameep Bharat Shah 3) Mihika Bharat Shah	None
3	14 <sup>th</sup> November, 2017	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) SamayYogeshKoradia 2) Sameep Bharat Shah 3) Mihika Bharat Shah	None
4	23 <sup>rd</sup> November, 2017	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) SamayYogeshKoradia 2) Sameep Bharat Shah 3) Mihika Bharat Shah	None
5	14 <sup>th</sup> December, 2017	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) SamayYogeshKoradia 2) Sameep Bharat Shah 3) Mihika Bharat Shah	None
6	14 <sup>th</sup> February, 2018	Office No.- DE-8082 Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 at 3.00 P.M.	1) SamayYogeshKoradia 2) Sameep Bharat Shah 3) Mihika Bharat Shah	None

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





- (c) Review of the financial statements before submission to the Board.
- (d) Supervision of other financial and accounting matters as may be referred to by the Board.
- (e) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control systems
- (f) 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.
- (g) Reviewing the company's financial and risk management policies.
- (h) Overseeing vigil mechanism 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 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 are 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 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.

**B. Qualification Given By the Secretarial Auditor:**

Secretarial Auditor has given 3 qualification remarks in his report which is self explanatory in Form MR. 3 attached as **Annexure III**.

**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. Statutory Auditors:**

Your company has appointed M/s. CA Mahendra Doshi & Associates as statutory auditors to fill in the casual vacancy caused due to resignation of M/s V. A. Parikh & Associates. The tenure of the Statutory Auditors M/s V. A. Parikh & Associates got over on Annual General Meeting held in the year 2017 and the same auditors issued Limited Review Report for the quarter ended June, 2017. It was later found



that the auditors' were liable to vacate their position in compliance with Section 139(2) of the Companies Act, 2013. On realization the Board accepted resignation of Statutory Auditors and appointed M/s. CA Mahendra Doshi and Associates in their place which was approved by shareholders in its meeting held on 21<sup>st</sup> February, 2018 in accordance with section 139(8) who shall hold the office till ensuing Annual General Meeting.

As per the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 read with the applicable rules of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and as per the approval and recommendation of the members of the Audit Committee to the Board, the Board of Directors of your Company, subject to the approval of Members by way of Ordinary Resolution at the ensuing 31<sup>st</sup> Annual General Meeting, is proposing appointment of M/s. Mittal and Associates (Firm Reg. No. 106456W) Chartered Accountants, as Statutory Auditors of your Company in place of M/s. CA Mahendra Doshi & Associates, for the period of first term of five consecutive years i.e. from 31<sup>st</sup> Annual General Meeting to 36<sup>th</sup> Annual General Meeting to be held in 2023, at a remuneration as may be mutually agreed to, between the Board of Directors and M/s. Mittal and Associates plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.

A resolution proposing appointment of M/s. Mittal and Associates, Chartered Accountants, as Statutory Auditors of your Company pursuant to Section 139 and all other applicable provisions of the Companies Act, 2013 forms part of the Notice.

Your Company has received the eligibility letter from M/s. Mittal and Associates (Firm Reg. No. 106456W) Chartered Accountants as the Statutory Auditors, the appointment, if made, shall be within the limits prescribed under Section 141(3) (g) of the Companies Act, 2013 and they are not disqualified in terms of Section 141 of the Companies Act, 2013 and related Rules for the appointment as the Statutory Auditors of your Company for financial year 2018-19 i.e. from 31<sup>st</sup> AGM of your Company. As required under Regulation 33(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

M/s. CA Mahendra Doshi & Associates, Chartered Accountants, Mumbai, existing Statutory Auditors of your Company have issued a clean report on the financials of your Company and have not issued any qualifications for the financial year ended 31<sup>st</sup> March, 2018.

## **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 2017 – 18. Report issued by the Secretarial Auditor is annexed to Board's Report as **Annexure III**.

## **23. 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.

## **24. 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.

## **25. 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 was 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 was completed during the reporting period. Exchange Authorities issued notice on 19<sup>th</sup> December, 2017 approving revocation of suspension with effect from 27<sup>th</sup> December, 2017.

### **b) Hon'ble Additional Chief Metropolitan Magistrate, 40<sup>th</sup> 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.

## **26. 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, 2018, no complaints have been received pertaining to sexual harassment.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. {There was no complaint received from any employee during the financial year 2017–18 and hence no complaint is outstanding as on 31st March, 2018 for redressal}.

## **27. 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 2017 -2018 as per Section 131 of the Companies Act, 2013.

## **28. DETAILS OF NEW SUBSIDIARY/ JOINT VENTURES/ASSOCIATE COMPANIES:**

Your Company takes such steps as are necessary to establish 100% wholly owned free zone subsidiary under the name "MINI DIAMONDS DMCC" in Dubai Multi Commodities Centre (DMCC) Dubai, UAE or Any Other Free Zone(S). the Company guarantee full financial commitment for its subsidiary in Dubai Multi commodities Centre(DMCC), U.A.E. and the capital of the said Subsidiary company will be AED 100,000/- divided into 100 shares of value AED 1000/- each.



Your Company has appointed Mr. Rajiv Jaykant Mota, Indian National, holding passport No: Z2864280 as Manager of the Company's subsidiary in Dubai Multi Commodities Centre (DMCC), Dubai, U.A.E and any other Free Zone/s operating in the United Arab Emirates.

The Company has appointed Mr. Rajiv Jaykant Mota, INDIAN National, holding passport No: Z2864280 and Mrs. Kinita Upendra Shah, Belgium National, holding passport No: EN452525 as Directors of the Company's subsidiary in Dubai Multi Commodities Centre (DMCC), Dubai, U.A.E. or any other Free Zones in U.A.E.

The Company has appointed Mr. Rajiv Jaykant Mota and Mrs. Kinita Upendra Shah to open / operate & close the bank account(s) in the name of Company's subsidiary with any commercial bank operating in U.A.E. or any part of the world.

## 29. 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.

## 30. Indian Accounting Standards:

The Ministry of Corporate Affairs (MCA), vide its notification in the official gazette dated 16<sup>th</sup> 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 01<sup>st</sup> April, 2016, with a transition date of 01<sup>st</sup> April, 2015 and IGAAP as the previous GAAP.

## 31. The State of Company's Affairs

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

## 32. 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

### 33. Corporate Social Responsibility

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

### 34. 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 V** 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**.

### 35. 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.

### 36. Compliance with Secretarial Standards:

The Company has complied with all the clauses of Secretarial Standards issued and notified by Institute of Company Secretaries of India.

### 37. 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**

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

Place: Mumbai  
Date: 13/08/2018



## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration ) Rules, 2014

**I REGISTRATION & 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 & 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
vii	Name, address & contact details of the Registrar & Transfer Agent	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.

**PRINCIPAL BUSINESS ACTIVITIES****II OF THE COMPANY**

SI No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Diamonds trading and Manufacturing	32112	100.00%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD
NIL				





IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)									
Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	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
<b>SUB TOTAL (A) (1):</b>	<b>356600</b>	<b>686600</b>	<b>1043200</b>	<b>30.24</b>	<b>356600</b>	<b>686600</b>	<b>1043200</b>	<b>30.24</b>	<b>0</b>
<b>(2) Foreign</b>									
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
<b>SUB TOTAL (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Total Shareholding of Promoters (A)= (A)(1)+(A)(2)</b>	<b>356600</b>	<b>686600</b>	<b>1043200</b>	<b>30.24</b>	<b>356600</b>	<b>686600</b>	<b>1043200</b>	<b>30.24</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
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
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>





<b>(2) Non Institutions</b>									
<b>a) Bodies corporates</b>									
i) Indian									
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	594320	1557800	2152120	62.38	603050	1550100	2153150	62.41	0.03
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	136160	0	136160	3.95	128195	0	128195	3.72	0.00
<b>c) Others (specify)</b>									
i) Clearing Member	5330	0	5330	0.15	5861	0	5861	0.17	0.00
ii) Non Resident Indian (Non Repat )	69370	0	69370	2.01	69370	0	69370	2.01	0.00
iii) Non Resident Indians (Repat)	200	0	200	0.01	200	0	200	0.01	0.00
iv) Bodies Corporate	22817	12100	34917	1.01	23122	12100	35222	1.02	0
v) Foreign Companies	0	0	0	0.00	0	0	0	0.00	0
vi) Hindu Undivided Family	8703	0	8703	0.25	14302	0	14302	0.41	0.06
vii) Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0
viii) LLP	0	0	0	0.00	500	0	500	0.01	
<b>SUB TOTAL (B)(2):</b>	836900	1562800	2406800	69.76	844600	1562200	2406800	69.76	0.09
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	836900	1562800	2406800	69.76	844600	1562200	2406800	69.76	0.09
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	1193500	2249400	3450000	100	1201200	2248800	3450000	100	

<b>(ii) SHAREHOLDING OF PROMOTERS</b>								
SI No.	Shareholders Name	Shareholding at the beginning of the year (April 1, 2017)			Shareholding at the end of the year (March 31, 2018)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	KINITA UPENDRA SHAH	17000	0.49	0.00	17000	0.49	0.00	0
2	MINITA UPENDRA SHAH	27000	0.78	0	27000	0.78	0	0
3	YOGESH NAROTTAMDAS SHAH	245900	7.13	0	245900	7.13	0	0



4	JARIN NAROTTAMDAS SHAH	21200	0.61	0	21200	0.61	0	0
5	CHANDRIKA KAILAS SHAH	335800	9.73	0	346900	10.06	0	0.87
6	DHARMESH KAILAS SHAH	18200	0.53	0.00	46700	1.35	0.00	0.82
7	HIMANSHU KAILAS SHAH	76400	2.21	0	76400	2.21	0	0
8	MEENA UPENDRA SHAH	262000	7.59	0	262000	7.59	0	0
9	RONISH U SHAH	34628	1	0	34628	1	0	1
10	UPENDRA NAROTTAMDAS SHAH	0	0	0	1000	0.03	0	0.03
	Total	1043200	30.24	0	1043200	30.24	0	2.72

(iii) CHANGE IN PROMOTERS' SHAREHOLDING:							
Sl. No.	Name of Promoters	Shareholding at the beginning of the Year (April 1, 2017)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)		
		No. of Shares	% of total shares of the company		No of shares	% of total shares of the company	
<b>1</b>	<b>Chandrika Kailas Shah</b>						
	At the beginning of the year	335800	9.73	0	0	0	
	Date wise Increase/Decrease in Promoters shareholding during the year			14.11.2018 Transmission: 11100			
	At the end of the year - 31.03.2018				346900	10.06	
<b>2</b>	<b>Dharmesh Kailas Shah</b>						
	At the beginning of the Year	18200	0.53				
	Date wise Increase/Decrease in Promoters shareholding during the year			14.11.2018 survivor: 28500			
	At the end of the year- 31.03.2018				46700	1.35	
<b>3</b>	<b>Kailas Narottamdas Shah</b>						
	At the beginning of the Year	39600	1.15				
	Date wise Increase/Decrease in Promoters shareholding during the year	-39600	1.15	14.11.2018 transmission and survivor: -39600			
	At the end of the year- 31.03.2018	0	0.00		0	0.00	



<b>4</b>	<b>Upendra Narottamdas Shah</b>					
	At the beginning of the Year	0	0			
	Date wise Increase/Decrease in Promoters shareholding during the year	1000	0.03			
	At the end of the year- 31.03.2018				1000	0.03
<b>5</b>	<b>Ronish U Shah</b>					
	At the beginning of the Year	34628	1			
	Date wise Increase/Decrease in Promoters shareholding during the year					
	At the end of the year- 31.03.2018				34628	1.00
<b>6</b>	<b>Kinita U Shah</b>					
	At the beginning of the Year	17000	0.49	0		
	Date wise Increase/Decrease in Promoters shareholding during the year					
	At the end of the year- 31.03.2018				17000	0.49
<b>7</b>	<b>Minita U Shah</b>					
	At the beginning of the Year	27000	0.78	0		
	Date wise Increase/Decrease in Promoters shareholding during the year					
	At the end of the year- 31.03.2018				27000	0.78
<b>8</b>	<b>Yogesh N Shah</b>					
	At the beginning of the Year	245900	7.13	0		
	Date wise Increase/Decrease in Promoters shareholding during the year					
	At the end of the year- 31.03.2018				245900	7.13
<b>9</b>	<b>Jarin N Shah</b>					
	At the beginning of the Year	21200	0.61	0		
	Date wise Increase/Decrease in Promoters shareholding during the year					
	At the end of the year- 31.03.2018				21200	0.61
<b>10</b>	<b>Himanshu Kailash Shah</b>					
	At the beginning of the Year	76400	2.21	0		
	Date wise Increase/Decrease in Promoters shareholding during the year					
	At the end of the year- 31.03.2018				76400	2.21



<b>11</b>	<b>Meena U Shah</b>					
	At the beginning of the Year	262000	7.59	0		
	Date wise Increase/Decrease in Promoters shareholding during the year					
	At the end of the year- 31.03.2018				262000	262000.00
<b>(iv)</b>	<b>Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)</b>					
<b>Sl. No</b>	<b>For Each of the Top 10 Shareholders</b>	<b>Shareholding at the beginning of the Year (April 1, 2017)</b>		<b>Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)</b>		
		<b>No. of Shares</b>	<b>% of total shares of the company</b>	<b>No of shares</b>	<b>% of total shares of the company</b>	
<b>1</b>	<b>PARTH SHAH</b>					
	At the beginning of the year - 01.04.2017	68640	1.98			
	Date wise Increase/Decrease in shareholding during the year	No Change				
	At the end of the year - 31.03.2018			68640	1.98	
<b>2</b>	<b>VIVEK DHIMANT SHAH</b>					
	At the beginning of the year - 01.04.2017	42817	1.24			
	Date wise Increase/Decrease in shareholding during the year	No Change				
	At the end of the year - 31.03.2018			42187	1.24	
<b>3</b>	<b>MAYUR AJAY SHAH</b>					
	At the beginning of the year - 01.04.2017	36215	1.04			
	Date wise Increase/Decrease in shareholding during the year	No Changes				
	At the end of the year - 31.03.2018			36215	1.04	
<b>4</b>	<b>DINESH C SHAH</b>					
	At the beginning of the year - 01.04.2017	22500	0.65			
	Date wise Increase/Decrease in shareholding during the year	No Change				
	At the end of the year - 31.03.2018			22500	0.65	
<b>5</b>	<b>SIMITA UPENDRA SHAH</b>					
	At the beginning of the year - 01.04.2017	17000	0.00			
	Date wise Increase/Decrease in shareholding during the year	No Change				
	At the end of the year - 31.03.2018			17000.00	0.00	
<b>6</b>	<b>SHRI JAY TEXTILE CHEMICAL INDUSTRIE</b>					
	At the beginning of the year - 01.04.2017	10300	0.29			
	Date wise Increase/Decrease in shareholding during the year	No Change				



	At the end of the year - 31.03.2018				10300	0.29
7	JITENDRA JAGGANNATH MEHTA					
	At the beginning of the year - 01.04.2017		10100	0.29		
	Date wise Increase/Decrease in shareholding during the year		No Change			
	At the end of the year - 31.03.2018				10100	0.29
8	MOHAN ABRAHAM					
	At the beginning of the year - 01.04.2017		10000	0.29		
	Date wise Increase/Decrease in shareholding during the year		No Change			
	At the end of the year - 31.03.2018				10000	0.29
9	KODAI INVESTMENT AND TRADING COMPANY PRIVATE LIMITED					
	At the beginning of the year - 01.04.2017		10000	0.29		
	Date wise Increase/Decrease in shareholding during the year		No Change			
	At the end of the year - 31.03.2018				10000	0.29
10	PINKESH A SHAH					
	At the beginning of the year - 01.04.2017		500	0.02		
	Date wise Increase/Decrease in shareholding during the year		8903	0.25		
	At the end of the year - 31.03.2018				9403	0.27
(v)	Shareholding of Directors & KMP					
Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the Year (April 1, 2017)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		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 - 01.04.2017		76400	2.21	0	76400 2.21
	Increase/decrease during the year		No change during the year			
	At the end of the year - 31.03.2018					76400 2.21
2	Upendra Narottamdas Shah					
	At the beginning of the year - 01.04.2017		1000	0.03	0	1000 0.03
	Increase/decrease during the year		No change during the year			
	At the end of the year - 31.03.2018					1000 0.03



<b>V INDEBTEDNESS</b>				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
		Secured Loans excluding deposits	Unsecured Loans	Deposits
Indebtness at the beginning of the financial year (1.4.2016)				
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	
<b>Total (i+ii+iii)</b>		<b>149,378,567</b>	<b>93,987,245</b>	
Change in Indebtedness during the financial year				
Additions				
Reduction		10,919,043	24,650,986	
Net Change		-10,919,043	-24,650,986	
Indebtedness at the end of the financial year (31.3.2017)				
i) Principal Amount		138,459,524	69,336,259	
ii) Interest due but not paid		0	0	
iii) Interest accrued but not due		0	0	
<b>Total (i+ii+iii)</b>		<b>138,459,524</b>	<b>69,336,259</b>	
<b>VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>				
<b>A. Remuneration to Managing Director, Whole time director and/or Manager:</b>				
Sl.No	Particulars of Remuneration	Name of the MD/WT/Manager		
1	Gross salary	Upendra N. Shah	Total	
	(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) 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	60000	60000	
	as % of profit			
	others (specify)			
5	Others, please specify			
	Total (A)	480,000	480,000	
	Ceiling as per the Act			

<b>B. Remuneration to other directors:</b>		
Sl.No	Particulars of Remuneration	Name of the Directors



1	Independent Directors	Nil
	(a) Fee for attending board/committee meetings	
	(b) Commission	
	(c ) Others, please specify	
	<b>Total (1)</b>	
2	Other Non Executive Directors	
	(a) Fee for attending board/committee meetings	
	(b) Commission	
	(c ) Others (Professional fees)	
	<b>Total (2)</b>	
	<b>Total (B)=(1+2)</b>	
	<b>Total Managerial Remuneration</b>	
	<b>Overall Ceiling as per the Act</b>	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB				
Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
1	<b>Gross Salary</b>	<b>Vijay Gupta (CS)</b>		
	(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) 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			
	- as % of profit			
	- others, specify			
5	Others			
	<b>Total</b>	<b>180,000</b>		<b>180,000</b>

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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					

**B. DIRECTORS: Upendra Narottamdas Shah**

Penalty					
Punishment					
Compounding					

**C. OTHER OFFICERS IN DEFAULT**

Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Sd/-  
Upendra Shah  
DIN: 00748451  
**Chairman**

Place: Mumbai  
Date : 13/09/2018





**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:**

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Directors** mean Directors of the Company
- 2.4 **Policy or this Policy** means, "Nomination and Remuneration Policy."
- 2.5 **Key Managerial Personnel** means
  - 2.5.1. Chief Executive Officer or the Managing Director or the Manager;
  - 2.5.2. Whole-time director;
  - 2.5.3. Chief Financial Officer;
  - 2.5.4. Company Secretary; and
  - 2.5.5. 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:

- 3.1.1 Identify persons who are qualified to become Directors and Key Managerial Personnel (KMP) who may be appointed in accordance with the criteria laid down.
- 3.1.2 Recommend to the Board appointment and removal of Directors and KMP and shall carry out evaluation of every director's performance.
- 3.1.3 Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.4 Recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial personnel and other employees.
- 3.1.5 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.
- 3.1.6 Make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.

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

##### 3.2.1. **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.

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

- (a) **Performance:** The Committee shall while determining remuneration ensures 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.



### **3.2.3. 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.

### **3.2.4. 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.

### **3.2.5. Evaluation**

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

### **3.2.6. 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.

### **3.2.7. 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.

## **3.3 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**

- 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 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**

- 6.1 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.
- 6.2 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.



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE YEAR ENDED MARCH 31, 2018

*[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**  
Office No.-DE-8082 Bharat Diamond Bourse,  
Bandra - Kurla Complex, Bandra (East),  
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, 2018** (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, 2018 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 & 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 the provisions of section 203 of the Companies Act, 2013 and the rules made thereunder, the Company was required to appoint following whole-time key managerial personnel:*
  - i) *Managing director or Chief Executive Officer or Manager and in their absence, a Whole-time Director;*
  - ii) *Company Secretary; and*
  - iii) *Chief Financial Officer.*

*As per Section 203, the Company has appointed Managing Director and Company Secretary but has not appointed a Chief Financial Officer for the Financial Year ended 31, March 2018. However, the Company has appointed Chief Financial Officer after the Audit Period i.e. on 01<sup>st</sup> June, 2018.*

2. *As per regulation 31(2) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group is in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board. Shareholding of the Promoters of company is not in dematerialized form; however the Company has initiated the process for the same and shall comply with the Regulation 31(2) of LODR in due course of time.*
3. *As per regulation 44 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall submit to the stock exchange details regarding voting results within 48 hours of conclusion of meeting, but due the technical issues company was not able to upload the same within stipulated time.*

**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.

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  
(Practicing Company Secretaries)

Bharat Sompura-Partner  
Pramod S. Shah & Associates  
Membership No.: 10540 (ACS)  
C P No.: 5540

Place: Mumbai  
Date: 10/08/2018

**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 arrangement 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.	M/s. Ronish Gems- Partnership Firm in which son of Director is a Partner	Rent	2017-18	Rs. 85,000		August 2018		NA



**Annexure-V****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 2017-18 and the percentage increase in remuneration of each Director during the Financial Year 2017-18 are as under:

Sr. No.	Name and Designation of Director	Remuneration (in Rs.)	% Increase in Remuneration in the Financial Year 2016-17	Ratio
	UPENDRA N. SHAH, MANAGING DIRECTOR	480000.00	NO CHANGE	
	VIJAY R. GUPTA	180000.00	NO CHANGE	

- ii. The percentage increase in the median remuneration of employees in the Financial Year: NA

- iii. The number of permanent employees on the rolls of Company: NA

- 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: NA

- 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: 13/08/2018

**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
<b>Name</b>	<b>Ronish U Shah</b>	<b>Meena U Shah</b>	<b>Deepa Munim</b>	<b>Rajendra B Shah</b>	<b>Sheetal Shah</b>	<b>Prashant Chauhan</b>
<b>Designation</b>	Chief Financial Officer	Administrator	Accountant	Sales Manager	Accountant	Senior Accountant
<b>Remuneration paid</b>	4,20,000	4,20,000	2,52,000	2,52,000	2,52,000	3,00,000
<b>Nature of employment</b>	Finance Management	Administration	Accounts	Selling	Maintain Stock	Taxation



<b>Qualifications</b>	B.Com+ GIA Graduate	B.Com	B.Com	B.Sc	B.Com	B.Com
<b>Experience</b>	10 years	40 years	25 years	25 years	20 years	6 years
<b>Date of commencement of employment</b>	10.02.2006	23.01.1995	01.10.2006	15.06.1992	01.05.2011	01.06.2016
<b>Age</b>	33	63	47	59	44	29
<b>Previous Employment</b>	No	No	No	No	No	H Sherul& Co.
<b>Percentage of equity shares held in the Company along with his spouse and dependent children</b>	34628	262000	-	-	-	-
<b>Whether relative of Director or Manager</b>	Son of Director	Wife of Director	-	-	-	-

**For and on behalf of the Board**

Sd/-

Upendra Shah

DIN: 00748451

**Chairman**

Place: Mumbai

Date: 13/08/2018



Remuneration to Managing Director, Whole time director and/or Manager				
S.No	Particulars of Remuneration	Name of the Director and KMP		Total
1	<b>Gross salary</b>	<b>Upendra N. Shah</b> <b>Managing Director</b>	<b>Vijay Gupta</b> <b>Company Secretary</b>	
	(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			
	<b>Total (A)</b>	4,80,000	1,80,000	6,60,000
	<b>Ceiling as per the Act</b>			



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY OVERVIEW

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 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 12<sup>th</sup> 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. 3,50,00,000 and 3,45,00,000 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 1,223,501,032/- out of which non-operating revenue is INR 782,444/- which has decreased by INR 53,391/- as compared to the previous year.



## **REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, 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.	UpendraNarottamdas Shah	Managing director, Chairperson and Executive Director	0	0	-	-
3.	DilipJaswant Shah	Executive Director	0	1	-	-
4.	SamayYogeshKoradia	Non-Executive and Independent Director	0	1	-	-
5.	Sameep Bharat Shah	Non-Executive and Independent Director	0	0	-	-
6.	Mihika Bharat Shah	Non-Executive 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 2017-18, 6 Board Meetings were held on 29<sup>th</sup> May, 2017, 11<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017, 23<sup>rd</sup> November, 2017, 14<sup>th</sup> December, 2017, 14<sup>th</sup> February, 2018 and 23<sup>rd</sup> March, 2018.

The Annual General Meeting of the Company for the financial year 2016 - 17 was held on 27<sup>th</sup> September, 2017.

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	7	7	Present
Upendra Narottamdas Shah	7	7	Present
Dilip Jaswant Shah	7	7	Present
Samay Yogesh Koradia	7	7	Present
Sameep Bharat Shah	7	7	Present
Mihika Bharat Shah	7	7	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, 2018 is as under:-

1. Mr. Sameep Shah, Non-Executive Independent Director as Chairman;
2. Mr. SamayKoradia. Non-Executive and Independent Director as Member;
3. Ms. Mihika Shah, Non-Executive and Independent Director as Member;
4. \*Secretary: Mr. Vijay Gupta, Company Secretary of the Company shall act as Secretary of the committee.

*\*Ms. Ayushi Bathiya has been appointed as Company Secretary w.e.f 30<sup>th</sup> May, 2018. She will also act as secretary to the Audit Committee.*

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

#### b. Attendance at the Audit Committee Meetings:-

During the accounting year 2017– 18 4 Audit Committee Meetings were held on 29<sup>th</sup> May, 2017, 11<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 14<sup>th</sup> February, 2018.

Name of Members	Designation	Category of Director	Nos. of meetings Held	Nos. of meetings attended
Mr. Sameep Shah	Chairman	Non-Executive Independent Director	4	4





Mr. Samay Koradia	Member	Non Executive – Independent Director	4	4
Ms. Mihika Shah	Member	Non Executive – Independent Director	4	4

**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) of Section 177 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, 2018 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 was appointed 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. SamayKoradia	Member	Non-Executive Independent	1	1
Ms. Mihika Bharat Shah	Member	Non-Executive Independent	1	1

**d. 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. Disclosure of Remuneration paid :-**

At present, Non-executive Independent Directors are not paid sitting fees for attending Board Meetings/Audit Committee Meetings/ Nomination & Remuneration Committee Meetings.

**a. Details of remuneration paid to Directors (including Non- Executive Directors) during the financial year ended March 31, 2018 are as under:**

Name of Directors	Remuneration including Salary and Perquisite	Sitting Fees	Total
Mr. Sameep Shah	NIL	NIL	NIL
Mr. SamayKoradia	NIL	NIL	NIL
Ms. Mihika Bharat Shah	NIL	NIL	NIL
Mr. Himanshu Kailas Shah	NIL	NIL	NIL
Mr. UpendraNarottamdas Shah	5,40,000	NIL	5,40,000
MrDilipJaswant Shah	NIL	NIL	NIL

**b. 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.



## 6. 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. Sameep Bharat Shah (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, 2018 is as under:-

1. Mr. Sameep Bharat Shah, Non-Executive Independent Director as Chairman;
2. Mr. **Mihika Bharat Shah**, Non-Executive Independent Director as Member;
3. Mr. **Samay Yogesh Koradia**, Non-Executive Independent Director as Member;

Mr. Dilip Shah was Compliance Officer of the Company for the reporting period. However Ms. Ayushi Bathiya, appointed as Company Secretary of the Company w.e.f. 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 2017-18, 1 Meeting of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee were held on 14<sup>th</sup> February, 2018.

### 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	2
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.	-
<b>TOTAL</b>	<b>2</b>

All valid share transfers received during the accounting year ended March 31, 2018 have been acted upon. There were no share transfers pending as on March 31, 2018, 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.

## 7. **GENERAL BODY MEETINGS:**

- a. The particulars of last three Annual General Meetings are as under:-

Financial Year	Day and Date	Location	Time
2014-15	Wednesday 30th September, 2015	7-A Nussar House, Gr Floor, Opp. Panchratna Bldg, Opera House, Mumbai-400004	11:00 A.M.
2015-16	Wednesday 30th September, 2016	7-A Nussar House, Gr Floor, Opp. Panchratna Bldg, Opera House, Mumbai-400004	09:30 A.M.
2016-17	Wednesday 27 <sup>th</sup> September, 2017	Office No. DE-8081 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai 400051	9 :30 A.M.

- b. **Extraordinary General Meeting:**

One Extraordinary General Meeting of the Members was held on 21<sup>st</sup> February, 2018 at the registered office of the Company during the reporting period.

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

During the reporting period, no resolution has been passed through the exercise of postal ballot.

## 8. **Familiarisation Programmes for Independent Directors**

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

## 9. **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.

## 10. **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 2017-18, 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 an 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 had 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. However, w.e.f 30<sup>th</sup> May, 2018 Ms. Ayushi Bathiya has been appointed as Company Secretary and Compliance officer of the Company. 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 is hosted on the website of the Company.
- 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.

#### 11. **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](http://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.



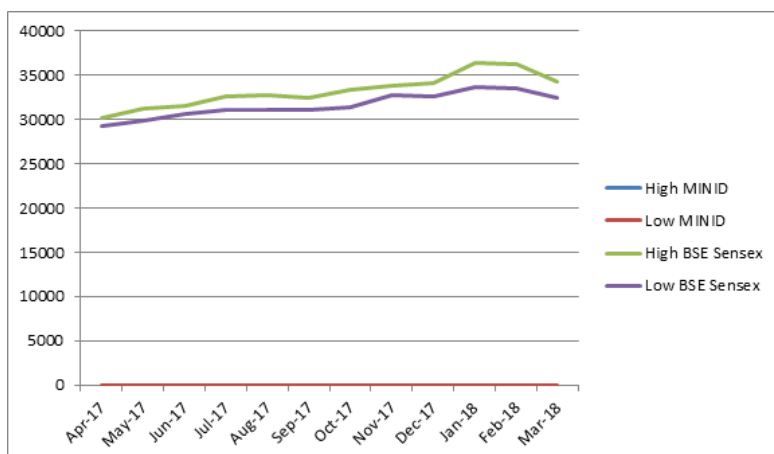
**GENERAL SHAREHOLDER INFORMATION:****I. Annual General Meeting:**

- Date: 29<sup>th</sup> September, 2018
- Time : 09.30 A.M
- Venue: Registered Office of the Company
- Financial Year ended: 1st April , 2017 to 31st March, 2018
- Date of Book Closure: 22<sup>nd</sup> September, 2018 to 29<sup>th</sup> September, 2018 (both days inclusive).

**II. Market information**

- Listing on Stock Exchange: The Bombay Stock Exchange Limited
- Listing fee for the year 2017-18 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 2017-18 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-17	-	-	30,184.22	29,241.48	-
May-17	-	-	31,255.28	29,804.12	-
June-17	-	-	31,522.87	30,680.66	-
July-17	-	-	32,672.66	31,017.11	-
Aug-17	-	-	32,686.48	31,128.02	-
Sep-17	-	-	32,524.11	31,081.83	-
Oct-17	-	-	33,340.17	31,440.48	-
Nov-17	-	-	33,865.95	32,683.59	-
Dec-17	5.67	5.40	34,137.97	32,565.16	-
Jan-18	10.81	5.95	36,443.98	33,703.37	-
Feb-18	10.58	10.08	36,256.83	33,482.81	-
March- 18	10.29	9.38	34,278.63	32,483.84	-





### III. Share Transfer System and other related matters:

Registrar and Share Transfer Agent

For both physical & demat segments: PurvaShareregistry(India) Pvt. Ltd.

Unit no. 9, Shiv Shakti Ind. Estt.

J .R. Borichamarg

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 Shareregistry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Ind. Estt., J .R. Borichamarg, 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 31.03.2018:

Category	No. of shares held	Percentage to total (%)
a. Promoters, Directors & Promoter group	10,43,200	30.24
b. Bodies Corporate	35222	1.02
c. Individuals	2281345	66.13
d. Any others	90233	2.61
<b>Total</b>	<b>3450000</b>	<b>100</b>

- Dematerialization of Shares:

The Shares of the Company can be held and traded in electronic form. As on March 31, 2018, **1201200** of total shares of the Company were held in demat form.



Break up of shares in physical and demat form as of 31<sup>st</sup> March, 2018:

	Percentage of Shares
Physical Segment	65.19
<b>Demat Segment :</b>	
NSDL	26.45
CDSL	8.36
<b>Total</b>	<b>100.00</b>

- 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-8081, Bharat Diamond Bourse, Bandrakurla Complex, Bandra (East), Mumbai, Maharashtra, 400051 Website: [www.minidiamonds.net](http://www.minidiamonds.net)

### 13. **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 2017-18.

### 14. **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.

### 15. **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.

### 16. **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)

**17. 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.

**18. 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. Dilip Shah will be retiring by rotation at the ensuing Annual General Meeting of the Company. Mr. Dilip Shah, being eligible, offers himself for re-appointment.

**19. 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 II).

**20. 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 2017-18 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 a Managing Director and his position is separate from that of the CEO.

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

**21. OTHER INFORMATION**

Web Links where policy on dealing with related party transaction: <http://www.minidiamonds.net>



## 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, NUSSEER HOUSE, MAMAPARMANAND 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, 2018** along with a copy of each of:-
  - a. the audited Statement of profit and loss for the period beginning from **April 01, 2017** to ending on **March 31, 2018**
  - b. the audited balance sheet as at, **March 31, 2018**; 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 Mahendra Doshi & Associates**  
**Chartered Accountants**  
**F. R. No: 105765W**

**Place : Mumbai**  
**Date : May 30, 2018**

**Mahendra Doshi**  
**Proprietor**  
**Membership No. 041316**



## 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 **31<sup>st</sup> March, 2018**, 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 it's 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 31<sup>st</sup> March, 2018, 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.

**For Mahendra Doshi & Associates**  
**Chartered Accountants**  
**F. R. No: 105765W**

**Place : Mumbai**  
**Date : May 30, 2018**

**Mahendra Doshi**  
**Proprietor**  
**Membership No. 041316**

**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 **31<sup>st</sup> March, 2018** 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 **31<sup>st</sup> March, 2018**, 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 Mahendra Doshi & Associates**  
**Chartered Accountants**  
**F. R. No: 105765W**

**Place : Mumbai**  
**Date : May 30, 2018**

Mahendra Doshi  
**Proprietor**  
**Membership No. 041316**



## 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. All the fixed assets have not physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies have been noticed upon such verification.
  - c. The title deeds of immoveable properties are in the name of the company.
2. The stocks of finished goods and raw-materials have been physically verified by the management at the end of the accounting year. In our opinion, the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification as compared to the book records.
3. As explained to us, the company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
4. 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. 18.00,000/-**, maximum amount involved is **Rs. 18.00,000/-** and yearend balance is **Rs. 18.00,000/-**.
5. The Company has not accepted any deposits from the public during the year.
6. It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
7. According to the records of the Company and as per information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, and any other statutory dues applicable to it with appropriate authorities and there were undisputed dues outstanding as on 31st March, 2018 for a period of more than six months from the date they become payable.

Sr No.	Particulars	Nature of Statutory Dues	Nature of Dues	Amount (Rs)
1	The Maharashtra Value Added Tax Act, 2002	Sales Tax/Maharashtra Value Added Tax	Financial Year 2016-2017	406,617/-
			Financial Year 2017-2018	35,904/-
2	The Central Goods and Service Tax Act, 2017	Central Goods and Service Tax	Financial Year 2017-2018	5,45,048/-

Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited as on 31st March, 2018 on account of disputes by the aforesaid entities are given below :

Sr No.	Nature of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where Dispute is pending
1	Income Tax Act, 1961.	Income Tax	20,03,350/-	Assessment Year 2008-2009	Commissioner of Income Tax
			34,90,750/-	Assessment Year 2012-2013	Commissioner of Income Tax
			12,14,870/-	Assessment Year 2013-2014	Commissioner of Income Tax



8. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to Government, any Financial Institution or Bank or debenture holders.
9. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has neither obtained any term loans nor has raised money by way of initial public offer or further public offer (including debt instruments).
10. In our opinion and according to the information and explanations given to us no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standard.
14. To the best of our knowledge and belief 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.
15. In our opinion and according to the information and explanations given to us the Company has not entered into any non-cash transactions with the directors or persons connected with him.
16. The company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

**For Mahendra Doshi & Associates**  
**Chartered Accountants**  
**F. R. No: 105765W**

**Place : Mumbai**  
**Date : May 30, 2018**

**Mahendra Doshi**  
**Proprietor**  
**Membership No. 041316**



## BALANCE SHEET AS AT MARCH 31, 2018

PARTICULARS		NOTE	As at March 31,2018 (in Rs.)		As at March 31,2017 (in Rs.)	
ASSETS						
Non-Current Assets						
a	Property, Plant & Equipment	1	27,977,311		29,351,154	
b	Capital Work-In-Progress		-	27,977,311	-	29,351,154
c	Financial Assets					
	i) Non Current Investments				-	
	ii) Long Term Loans & Advances	2	383,523		378,570	
	iii) Other Financial Assets					
d	Non Current Tax Assets		-		-	
e	Other Non-Current Assets		-		-	
				383,523		378,570
Current Assets						
a	Inventories	3	426,709,521		140,650,049	
b	Financial Assets					
	i) Current Investments					
	ii) Trade Receivables	4	830,483,507		758,100,802	
	iii) Cash and Cash Equivalents	5	2,215,343		4,316,437	
	iv) Loans & Advances	6	4,833,908		3,399,302	
	v) Other Financial Assets	7	853,261		853,855	
c	Current Tax Assets					
				1,265,095,540		907,320,445
TOTAL				<u>1,293,456,373</u>		<u>937,050,168</u>
EQUITY AND LIABILITIES						
EQUITY						
a	Equity Share Capital	8	34,500,000		34,500,000	
b	Other Equity	9	41,223,561	75,723,561	38,190,889	72,690,889
LIABILITIES						
Non-Current Liabilities						
a	Financial Liabilities		-		-	
	i) Long-Term Borrowings		-		-	
b	Deferred Tax Liabilities (Net)	10	5,131,581		5,947,139	
c	Long-Term Provisions		-		-	
d	Non Current Tax Liabilities		-		-	
e	Other Non-Current Liabilities		-	5,131,581	-	5,947,139
Current Liabilities						
a	Financial Liabilities :					
	i) Short-Term Borrowings	11	207,795,783		243,365,812	
	ii) Trade Payables	12	901,963,579		541,421,331	
	iii) Other Financial Liabilities					
b	Short Term Provisions	13	1,377,590		4,865,000	
c	Current Tax Liabilities					
d	Other Current Liabilities	14	101,464,279	1,212,601,231	68,759,997	858,412,140
TOTAL				<u>1,293,456,373</u>		<u>937,050,168</u>

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

For and on behalf of Board of Directors

Mahendra Doshi

Managing Director

Director

CFO

CS

Proprietor

Membership No. : 041316

Place : Mumbai

Date :

Upendra Shah

DIN: 00748451

Himanshu Shah

DIN: 00410645

Ronish Shah

AZFPS5800G

Ayushi Bathiya

DICPB2619K

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

PARTICULARS	NOTE	As at March 31, 2018 ( in RS.)	As at March 31, 2017 ( in RS.)
Revenue From Operations	15	1,22,27,18,588	1,27,77,25,859
Other Income	16	7,82,444	8,35,835
<b>Total Revenue</b>		<b>1,22,35,01,032</b>	<b>1,27,85,61,694</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	17	68,41,75,188	1,14,24,33,954
Purchases of Stock - In - Trade	18	49,48,08,567	-
Changes in Inventories of Work-In-Progress & Finished Goods	19	(4,82,93,988)	3,61,87,210
Employee Benefits Expense	20	32,44,168	40,65,796
Finance Costs	21	1,97,57,411	2,16,34,579
Depreciation and Amortization Expense		15,78,514	18,97,072
Other Expenses	22	6,46,36,467	6,74,94,859
<b>Total Expenses</b>		<b>1,21,99,06,328</b>	<b>1,27,37,13,470</b>
Profit Before Exceptional Items & Tax		35,94,704	48,48,224
Exceptional Items Income/(Loss)			
Expected Credit Loss on Debtors		1,97,590	
Profit Before Tax		33,97,114	48,48,224
Tax expense			
Current Tax		11,80,000	20,75,000
Deferred Tax		(8,15,558)	(3,32,677)
Profit After Tax		30,32,672	31,05,901
Other Comprehensive Income			
<b>Total Comprehensive Income</b>			
Earnings Per Equity Share:		0.88	0.90
Basic and Diluted (In Rs.)		0.88	0.90

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

For and on behalf of Board of Directors

Mahendra Doshi

Managing Director

Director

CFO

CS

Proprietor  
Membership No. : 041316  
Place : Mumbai  
Date :

Upendra Shah  
DIN: 00748451

Himanshu Shah  
DIN: 00410645

Ronish Shah Ayushi Bathiya  
AZFPS5800G DICPB2619K



## Statement of Changes in Equity for the period ended 31st March, 2018

a. Equity Share Capital	Balance at the beginning of the reporting period				Changes in equity share			
	34,500,000				-			
b. Other Equity								
	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					
			Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Other Comprehensive Income	Other Reserves (General Reserve)	
Balance at the beginning of the reporting period	0	0	0	0	0	0	0	
Changes in accounting policy/prior period errors	0	0	0	0	0	0	0	
Restated balance at the beginning of the reporting period	0	0	0	0	0	0	0	
Other Comprehensive Income	0	0	0	0	0	0	0	
Total Comprehensive Income for the year	0	0	0	0	0	0	0	
Tax on Dividend	0	0	0	0	0	0	0	
Dividends	0	0	0	0	0	0	0	
Tax on Dividend of the last year reversed	0	0	0	0	0	0	0	
General Reserve	0	0	0	0	0	0	0	
Transfer to retained earnings	0	0	0	0	0	0	0	
Provision for tax of Ealier Years written off	0	0	0	0	0	0	0	
Any other change (to be specified)	0	0	0	0	0	0	0	
Balance at the end of the reporting period	0	0	0	0	0	0	0	
Note: Remeasurment of net defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit and								

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

Mahendra Doshi  
Proprietor  
Membership No. : 041316  
Place : Mumbai  
Date :



(in Rupees)

capital during the year	Balance at the end of the reporting period
	34,500,000

			Items of Other Comprehensive Income						Money received against share warrants	Total
	Other Reserves (Transition Reserve)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature) - Expected credit loss		
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	364375	197590	0	561965
	0	0	0	0	0	0	364375	197590	0	561965

loss shall be recognised as a part of retained earnings with separate disclosure of such items alongwith the relevant amounts in the Notes.

For and on behalf of Board of Directors

Managing Director

Director

CFO

CS

Upendra Shah  
DIN: 00748451

Himanshu Shah  
DIN: 00410645

Ronish Shah  
AZFPS5800G

Ayushi Bathiya  
DICPB2619K



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 1. Corporate Information

Mini Diamonds (India) Ltd (The Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay stock exchange in India.

The Company is engaged in business of manufacturing, Trading & Exporting of Cut & Polished Diamonds / Studded Jewellery.

### 2. Basis of preparation

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

Up to the year ended 31 March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). The Financial Statements for the year ended on 31<sup>st</sup> March, 2018 are the first to have been prepared in accordance with the IND AS. The date of transition to Ind AS is 1 April, 2016. Accordingly, opening balances as on 01<sup>st</sup> April, 2016 and 31<sup>st</sup> March, 2017, have been presented comparatively.

These financial statements are in compliance with Ind AS 101, "First Time Adoption of Indian Accounting Standards". Refer note 24 for the details of first time adoption exemptions availed as well as Reconciliations upon Transition.

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

### 3. Accounting policies requiring management judgement and key sources of estimation uncertainty

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

#### i. Revenue recognition

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

#### ii. Useful life of Property, Plant and Equipment

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

#### iii. Income Taxes

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

#### iv. Fair Value

Financial instruments, such as derivative financial instruments carried in the financial statements at fair value, with changes in fair value reflected in the income statements.

Fair values are estimated by reference to published price quotations or by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows analysis.





## 1. PROPERTY, PLANT &amp; EQUIPMENT

Description of Assets	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	For the Year	Deductions	As at March 31, 2018	As at March 31, 2017
<b>Tangible Assets</b>									
Office Premises	23,900,000	-	-	23,900,000	398,333	398,333	-	796,666	23,501,667
Plant & Equipment	13,426,306	171,600	-	13,597,906	8,091,095	944,119	-	9,035,214	5,335,211
Furniture & Fixture	84,318	-	-	84,318	80,102	-	-	80,102	4,216
Office Equipment	2,259,680	33,070	-	2,292,750	2,039,464	101,966	-	2,141,430	220,216
<b>Others</b>									
Electrical Equipment	126,000	-	-	126,000	119,700	-	-	119,700	6,300
Computer	1,035,963	-	-	1,035,963	886,185	76,352	-	962,537	149,778
Tools & Equipment	1,007,875	-	-	1,007,875	875,311	56,541	-	931,852	132,564
<b>CURRENT YEAR</b>	<b>41,840,142</b>	<b>204,670</b>	<b>-</b>	<b>42,044,812</b>	<b>12,490,190</b>	<b>1,578,514</b>	<b>-</b>	<b>14,067,501</b>	<b>29,349,952</b>
<b>PREVIOUS YEAR</b>	<b>40,444,468</b>	<b>2,573,015</b>		<b>43,017,483</b>	<b>11,769,257</b>	<b>1,897,072</b>		<b>13,666,329</b>	<b>28,675,211</b>
									<b>29,351,154</b>



(in Rs.)				
PARTICULARS	Annex	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>2. LONG TERM LOANS &amp; ADVANCES</b>				
<b>Unsecured, Considered Good</b>				
Security Deposits	I	383,523	378,570	332,262
<b>Total</b>		<b>383,523</b>	<b>378,570</b>	<b>332,262</b>
<b>3. INVENTORIES</b>				
Raw Materials	II	357,499,769	123,254,174	344,678,324
Finished Goods		69,209,752	17,395,875	57,102,974
(As quantified, valued and certified by director)				
<b>Total</b>		<b>426,709,521</b>	<b>140,650,049</b>	<b>401,781,298</b>
<b>4. TRADE RECEIVABLE</b>				
<b>Unsecured and Considered Good</b>				
Outstanding for more than 6 months	III	140,584,034	1,717,043	33,837,450
Others		689,899,474	756,383,759	671,565,676
<b>Total</b>		<b>830,483,507</b>	<b>758,100,802</b>	<b>705,403,126</b>
<b>5. CASH AND CASH EQUIVALENTS</b>				
Balances with Banks	IV	12,97,147	34,70,631	27,69,128
Cash on hand (As Certified by Director)		8,83,864	8,18,615	7,49,503
<b>Total</b>		<b>21,81,011</b>	<b>42,89,246</b>	<b>35,18,631</b>
<b>6. LOANS AND ADVANCES</b>				
<b>Unsecured and considered Good</b>				
To related parties	V	18,00,000	10,54,722	13,65,22,228
Others		30,33,908	23,44,580	18,53,916
<b>Total</b>		<b>48,33,908</b>	<b>33,99,302</b>	<b>13,83,76,144</b>
<b>7. OTHER FINANCIAL ASSETS</b>				
Others	VI	8,53,261	8,53,855	6,74,800
<b>Total</b>		<b>8,53,261</b>	<b>8,53,855</b>	<b>6,74,800</b>



(in Rs.)

PARTICULARS	Annex	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>8. SHARE CAPITAL</b>				
Authorised				
3500000 Equity Shares of Rs. 10/- par value per share		3,50,00,000	3,50,00,000	3,50,00,000
		3,50,00,000	3,50,00,000	3,50,00,000
Issued & subscribed & fully paid up				
3450000 Equity Shares of Rs. 10/- par value per share		3,45,00,000	3,45,00,000	3,45,00,000
<b>Total</b>		<b>3,45,00,000</b>	<b>3,45,00,000</b>	<b>3,45,00,000</b>

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

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

NAME OF THE SHAREHOLDERS	As at March 31, 2018		As At March 31, 2017		As At March 31, 2016
	NO. of SHARES HELD	% of HOLDING	NO. of SHARES HELD	% of HOLDING	NO. of SHARES HELD
Chandrika K Shah	3,46,900	10.06%	3,35,800	9.73%	3,35,800
Meena U Shah	2,62,000	7.59%	2,62,000	7.59%	2,62,000
Yogesh N Shah	2,45,900	7.13%	2,45,900	7.13%	2,45,900
<b>Total</b>	<b>8,54,800</b>	<b>24.78%</b>	<b>8,43,700</b>	<b>24.46%</b>	<b>8,43,700</b>

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

PARTICULARS	As at 31.03.2018		As at 31.03.2017	
	No of Shares	(In Rs.)	No of Shares	(In Rs.)
Equity shares at the beginning of the year	34,50,000	3,45,00,000	34,50,000	3,45,00,000
Add / Less : Shares Issued / Buy Back / Redeemed during the year	-	-	-	-
Equity shares at the end of the year	34,50,000	3,45,00,000	34,50,000	3,45,00,000



## 9. OTHER EQUITY

( in RS.)			
PARTICULARS	As at March 31,2018	As at March 31,2017	AS AT MARCH 31,2016
<b>Capital Reserves</b>			
As per Last Balance Sheet	-	-	-
<b>Capital Redemption Reserve</b>			
As per Last Balance Sheet	-	-	-
<b>General Reserves</b>			
As per Last Balance Sheet			
Add : Transfer from Surplus Account			
	-	-	-
Transition Reserve		1,98,34,897.0	
Less :- Deffered tax Liability on Revaluation of Office Premises		(68,64,461.2)	
			1,29,70,436
Other Comprehensive Income	-	-	-
<b>Surplus Account</b>			
As per last Balance Sheet	3,81,90,889	3,50,84,988	1,70,04,882
Add: Profit for the Year	30,32,672	31,05,901	51,09,670
	<b>4,12,23,561</b>	<b>3,81,90,889</b>	<b>2,21,14,552</b>
Less: Appropriations			
Transferred to General Reserve			
Dividend on Equity Shares			
Tax on Dividend			
Adjustment relating to Fixed Assets			
Provision for Tax of Earlier Years written off			
	-	-	-
	4,12,23,561	3,81,90,889	2,21,14,552
<b>Total</b>	<b>4,12,23,561</b>	<b>3,81,90,889</b>	<b>3,50,84,988</b>



(in Rs.)				
PARTICULARS	Annex	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>10. Deferred Tax Liabilities (Net)</b>				
Deffered Tax Liability		51,31,581	59,47,139	62,79,817
<b>Total</b>		<b>51,31,581</b>	<b>59,47,139</b>	<b>62,79,817</b>
<b>11. SHORT TERM BORROWINGS</b>				
<b>Secured</b>				
Loans repayable on demand				
a) From Banks - Working Capital Loans	VII	13,84,59,524	14,93,78,567	15,65,66,170
<b>Unsecured</b>				
Loans and Advances From Related Parties	VIII	6,93,36,259	9,39,87,245	1,25,31,382
		<b>20,77,95,783</b>	<b>24,33,65,812</b>	<b>16,90,97,552</b>
<b>12. TRADE PAYABLE</b>				
<b>i. Micro, Small and Medium Enterprises</b>			-	-
<b>ii. Others</b>				
Others	IX	90,19,63,579	54,14,21,331	96,85,27,534
		<b>90,19,63,579</b>	<b>54,14,21,331</b>	<b>96,85,27,534</b>
<b>13. SHORT TERM PROVISION</b>				
Others	X	13,77,590	48,65,000	56,60,000
		<b>13,77,590</b>	<b>48,65,000</b>	<b>56,60,000</b>
<b>14. OTHER CURRENT LIABILITIES</b>				
Other Payables	XI	10,14,64,279	6,87,59,997	6,08,86,943
		<b>10,14,64,279</b>	<b>6,87,59,997</b>	<b>6,08,86,943</b>

**15. REVENUE FROM OPERATIONS**

(in Rs.)						
Particulars	Annex	As at March 31, 2018	SEEPZ	MUMBAI	As at March 31, 2017	As at March 31, 2016
Sale of Products - Gems & Jewellery	XII	1,19,84,56,789	38,88,731	1,19,45,68,058	1,23,05,86,660	1,25,55,55,715
Exchange Gain / (Loss)		74,30,325	1,17,613	73,12,712	(15,01,062)	20,37,080
Other Operating Revenue						
Labour Charges		-		-	-	-
Receivable						
Sundry Balances Written Off for Creditors		-	-	-	1,75,91,256	-
Job Work Charges		1,68,31,474	1,68,31,474	-	3,10,49,005	3,71,91,519
Less : Credit Note issued for previous year		-		-	-	-
		<b>1,22,27,18,588</b>	<b>2,08,37,818</b>	<b>1,20,18,80,770</b>	<b>1,27,77,25,859</b>	<b>1,29,47,84,314</b>

**16. OTHER INCOME**

Particulars	As at March 31, 2018	SEEPZ	MUMBAI	As at March 31, 2017	As at March 31, 2016
Rent Income	7,80,000	-	7,80,000	7,80,000	7,80,000
Inerest Income on Fixed Deposits	2,444	-	2,444	2,204	60,954
Export Rebate	-		-	-	66,633
VAT Refund received FY 2010-11	-			53,631	-
	-			-	-
	<b>7,82,444</b>		<b>7,82,444</b>	<b>8,35,835</b>	<b>9,07,587</b>

**17. COST OF MATERIALS CONSUMED**

( in RS.)				
PARTICULARS	Annex	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Stock at the Commencement	XIII	11,97,34,285	34,46,78,323	25,05,68,195
Purchases during the year		92,19,40,672	91,74,89,917	92,81,66,239
		1,04,16,74,958	1,26,21,68,240	1,17,87,34,434
Less : Stock at the Close		35,74,99,769	11,97,34,285	34,46,78,323
<b>Total</b>		<b>68,41,75,188</b>	<b>1,14,24,33,954</b>	<b>83,40,56,111</b>



(in Rs.)

PARTICULARS	Annex	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>18. PURCHASE OF STOCK IN TRADE</b>				
Purchase of Stock in Trade		49,48,08,567	-	40,06,93,943
<b>Total</b>		<b>49,48,08,567</b>	<b>-</b>	<b>40,06,93,943</b>
<b>19. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS &amp; FINISHED GOODS</b>				
<b>Opening Stock</b>				
Finished Goods/Stock-in-Trade		2,09,15,764	5,71,02,974	2,70,43,224
<b>Closing Stock</b>				
Finished Goods/Stock-in-Trade		6,92,09,752	2,09,15,764	5,71,02,974
<b>Total</b>		<b>(4,82,93,988)</b>	<b>3,61,87,210</b>	<b>(3,00,59,750)</b>
<b>20.EMPLOYEE'S BENEFITS EXPENSE</b>				
Salary & Bonus		25,84,000	31,72,000	28,55,000
Directors Remuneration		5,40,000		
Staff Welfare Expenses		1,20,168	8,93,796	18,04,742
<b>Total</b>		<b>32,44,168</b>	<b>40,65,796</b>	<b>46,59,742</b>
<b>21.FINANCE COST</b>				
Interest Expenses	XIV	1,81,41,726	1,85,52,085	1,63,21,658
Other Borrowing Costs	XV	16,15,686	30,82,494	25,52,008
<b>Total</b>		<b>1,97,57,411</b>	<b>2,16,34,579</b>	<b>1,88,73,666</b>
<b>22. OTHER EXPENSES</b>				
Power & Fuel		19,39,984	42,75,962	45,99,447
Rent		21,09,517	23,51,730	22,19,111
Insurance Expenses		13,800	8,339	2,29,000
Payment to Auditors - Audit Fees		1,00,000	1,72,500	1,71,750
Manufacturing Labour & Other Expenses	XVI	5,20,57,378	4,51,98,195	1,68,80,015
Establishment and Other Expenses		84,15,788	1,54,88,133	3,39,77,002
<b>Total</b>		<b>6,46,36,467</b>	<b>6,74,94,859</b>	<b>5,80,76,325</b>

**23. Summary of significant accounting policies****a. Use of estimates**

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

**b. Presentation of true and fair view**

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

**c. Going concern**

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

**d. Accrual basis**

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

**e. Materiality**

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

**f. Basis of Measurement**

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

**g. Offsetting**

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

**h. Functional and Presentation Currency**

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

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

**i. Foreign Currency Transactions**

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

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

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



**j. Tangible fixed assets (PPE)**

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

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

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

As per 'the deemed cost' exception given in paragraphs D5 and D6 to Ind AS 101, any item of property, plant and equipment can be measured at the date of transition to Ind AS at its fair value or at Previous GAAP revalued amount. The Previous GAAP revalued amount can be considered as deemed cost if the revaluation was, at the date of the revaluation, broadly comparable to either the fair value or cost or depreciated cost in accordance with Ind AS.

**k. Depreciation on tangible fixed assets**

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

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

**l. Borrowings costs :-**

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.

**m. Inventories**

Stock of Rough & cut and polish diamonds have been valued at cost or net realizable value, whichever is lower where stock is identified otherwise where stock is mixed it have been valued at technically evaluated cost or net realizable value, whichever is lower.

There is no Stock of rough rejection during the year 2017-18.

Stock of Gold , silver, alloy and consumables were valued at cost.

There is no stock laying in Work in Process at the end of the year.

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. The stock of Cut and Polished Diamonds are valued using Weighted Average method.

**n. Revenue recognition**

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

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



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

**o . Government Grants**

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

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

**p . Retirement and other employee benefits**

**Short Term Employee Benefits**

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

**Defined Contribution plans**

This is not applicable for the Financial Year 2017-2018.

**q . Taxes on income**

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

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

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

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

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

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

**r . Segment reporting :-**

**Identification of segments**

**Details of Primary Segment are as follows :**

Details as per Product and Service Wise are as follows :

(Rs. In lakhs)

Segments	Year Ended as on 31 <sup>st</sup> March, 2018	Year Ended as on 31 <sup>st</sup> March, 2017
Rough Diamonds	3,192.96	4,287.28
Cut and Polished Diamonds	8,752.72	7,875.69
Jewellery	38.89	142.89
Job Work Charges	168.31	310.49
<b>TOTAL</b>	<b>12,152.88</b>	<b>12,616.36</b>

**Details of Secondary Segments are as follows :**

Details as per Geographic Region

Country Wise	Year Ended as on 31 <sup>st</sup> March, 2018	Year Ended as on 31 <sup>st</sup> March, 2017
Belgium	706.12	710.18
Hong Kong	NIL	331.73
UAE	2,243.64	1,496.24
USA	161.72	126.51
Germany	NIL	1.19
India	9,041.40	9,950.51
<b>TOTAL</b>	<b>12,152.88</b>	<b>12,616.36</b>

**s . Earnings per share**

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

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

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

**t . Provisions, contingent liabilities and contingent assets**

Company recognizes provision, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent liabilities are recognition only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made.

Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

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

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

**u . Cash and cash equivalents**

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

**w . Related Party Disclosures**

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



#### x . Financial Instruments:

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

##### **Financial Assets - Trade receivables**

Trade receivables are non-interest-bearing and are recognized initially at fair value.

##### **Interest-bearing borrowings**

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

##### **Trade payable**

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

##### **Derivative financial instruments**

Derivative transactions are entered into by the Company in the form of Forward Contracts to mitigate the risk of changes in the exchange rates on foreign currency exposures. The counter party of these contracts is bank. Although, these derivatives constitute hedge from an economic perspective, they do not qualify for hedge accounting under IND AS 109 and consequently are categorized as financial assets or financial liabilities at Fair Value through Profit or Loss (FVTPL) category in accordance with IndAS109. The resultant gain or loss are included in the sales and other operating revenue in the profit & loss account. Valued the outstanding forward contract at MTM basis.

##### **Offsetting financial instruments**

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

#### **24. First Time Adoption of Ind AS**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

##### **Optional exemptions adopted as per Ind AS**

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below.

**Property, plant and equipment (PPE), investment properties and intangible assets:** The Company has availed of the option to use either "the Fair Value of the asset at the date of transition" or the "Previous GAAP revaluation at or before the date of transition" as its deemed cost.

##### **Mandatory exceptions from retrospective application of Ind AS**

In addition to the optional exceptions discussed above, The Company has applied the following mandatory exceptions under Ind AS 101:

**Estimates:** The estimates made under previous GAAP (Indian GAAP) have not been changed by using subsequent information at the Ind AS transition date except change in the estimates of useful lives of Land & building. The other estimates as per IGAAP can be changed in future only in case of an error or if the estimates not earlier required



under Indian GAAP would be required under Ind AS.

**Classification and measurement of financial assets:** The classification of financial assets to be measured at amortized cost or fair value through other comprehensive income is made considering whether the conditions of Ind AS 109 are met on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

#### First time Ind AS adoption Reconciliations:

The difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as of the Transition Date have been recognized directly in "Retained Earnings" at the Transition Date. This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

The following reconciliations provide a Quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with IndAS 101:

- n Equity as at April 1, 2016
- n Equity as at March 31, 2017
- n Profit for the year ended March 31, 2017 and
- n Explanation of material adjustments to cash flow statements.

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the IndAS presentation

#### RECONCILIATION OF EQUITY

MINI DIAMONDS (INDIA) LIMITED (Amount in Rupees)							
		As at 1st April 2016			As at 31st March 2017		
Not- es	PARTICULARS	Amount as per IGAAP	Effect of transition to Ind AS	Amount as per Ind AS	Amount as per IGAAP	Effect of transition to Ind AS	Amount as per Ind AS
	<b>ASSETS</b>						
	<b>Non-Current Assets</b>						
1	a. Property, Plant & Equipment	8,840,314	19,834,897	28,675,211	9,522,111	19,829,043	29,351,154
	b. Capital Work- In-Progress		-	-			-
	c. Financial Assets						-
	i) Non Current Investments		-	-			-
	ii) Long Term Loans & Advances	332,262		332,262	378,570		378,570
	iii) Other Financial Assets			-			-
6	d. Non Current Tax Assets	584,644	-584,644	-	919,347	-919,347	-



	e.Other Non-Current Assets						-
	<b>Current Assets</b>						
	a.Inventories	401,781,298		401,781,298	140,650,049		140,650,049
	b.Financial Assets			-			-
	i) Current Investments			-			-
	ii) Trade Receivables	705,403,126		705,403,126	758,100,802		758,100,802
	iii) Cash and Cash Equivalents	4,793,993		4,793,993	4,316,437		4,316,437
	iv) Loans & Advances	138,376,143		138,376,143	3,399,302		3,399,302
	v) Other Financial Assets	674,800		674,800	853,854		853,854
	c.Current Tax Assets						
				-			
	<b>Total</b>	<b>1,260,786,580</b>	<b>19,250,253</b>	<b>1,280,036,833</b>	<b>918,140,472</b>	<b>18,909,696</b>	<b>937,050,168</b>
				-			
	<b>EQUITY AND LIABILITIES</b>			-			
	<b>EQUITY</b>			-			
	a.Equity Share Capital	34,500,000		34,500,000	34,500,000		34,500,000
	b.Other Equity	22,114,551	12,970,436	35,084,987	25,228,332	12,962,557	38,190,889
	<b>LIABILITIES</b>			-			
	<b>Non-Current Liabilities</b>			-			
	a.Financial Liabilities			-			
	i) Long-Term Borrowings			-			
9	b.Deferred Tax Liabilities (Net)	-	6,279,817	6,279,817		5,947,139	59,47,139
	c.Long-Term Provisions			-			
	d.Non Current Tax Liabilities			-			
	e.Other Non-Current Liabilities			-			
	<b>Current Liabilities</b>						
	a.Financial Liabilities :						



i) Short-Term Borrowings	169,097,552		169,097,552	243,365,812		243,365,812
ii) Trade Payables	968,527,534		968,527,534	541,421,331		541,421,331
iii) Other Financial Liabilities			-			
b.Short Term Provisions	5,660,000		5,660,000	4,865,000		4,865,000
c.Current Tax Liabilities			-			
d.Other Current Liabilities	60,886,943		60,886,943	68,759,997		68,759,997
<b>Total</b>	<b>1,260,786,580</b>	<b>19,250,253</b>	<b>1,280,036,833</b>	<b>918,140,472</b>	<b>18,909,696</b>	<b>937,050,168</b>

**Reconciliation of Total Comprehensive Income for the year ended 31/03/2017**

PARTICULARS	NOTE	Amount as per IGAAP	Effect of transition to Ind AS	Amount as per Ind AS
Revenue From Operations		1,277,725,859		1,277,725,859
Other Income		835,835		835,835
<b>Total Revenue</b>		1,278,561,694		1,278,561,694
<b>EXPENSES</b>				
Cost of Materials Consumed		1,142,433,954		1,142,433,954
Purchases of Stock - In - Trade		-		
Changes in Inventories of Work-In-Progress & Finished Goods		36,187,210		36,187,210
Employee Benefits Expense		4,065,796		4,065,796
Finance Costs		21,634,579		21,634,579
Depreciation and Amortization Expense		1,891,218	5,854	1,897,072
Other Expenses		67,494,859		
<b>Total Expenses</b>	2	1,273,707,616	5,854	1,273,713,470
<b>Profit Before Exceptional Items &amp; Tax</b>		4,854,078		4,848,224
Exceptional Items Income/(Loss)		-		
Expected Credit Loss on Debtors		-		
<b>Profit Before Tax</b>		4,854,078		4,848,224
Tax expense				
Current Tax		2,075,000		2,075,000
Deferred Tax		-334,703		-332,677
<b>Profit After Tax</b>		3,113,781		3,105,901
Other Comprehensive Income		-		
<b>Total Comprehensive Income</b>		3,113,781		3,105,901
Earnings Per Equity Share:		0.90		0.90
Basic and Diluted (In Rs.)		0.90		0.90

**Notes to Reconciliation :-****A. Property Plant & Equipment:**

As per 'the deemed cost' exception given in paragraphs D5 and D6 to Ind AS 101, any item of property, plant and equipment can be measured at the date of transition to Ind AS at its fair value or at revalued amount. The Previous GAAP revalued amount can be considered as deemed cost if the revaluation was, at the date of the revaluation, broadly comparable to either the fair value or cost or depreciated cost in accordance with Ind AS.

In accordance with above, upon transition to Ind AS, the various items of Fixed Tangible Assets have been valued as follows:

- Office premises amounting to Rs.40,65,103/- have been measured at Fair Market Value on transition date and the fair market value of Rs.23,900,000/- has been considered to be the 'deemed cost' of these assets.
- Due to above revaluation Office premises value increased by Rs.19,834,897/- and also transfer in transition reserves.
- The estimates of useful lives of Land and Buildings have been revised upon fair market valuation and accordingly the revised depreciation has been calculated. In the first year of transition the additional differential depreciation as per Ind AS amounted to Rs.5,854/-.
- The impact of 'deemed cost' as well as revised depreciation on the PPE for the FY 2016-2017 was Rs. 19,829,042/-.
- Due to additional depreciation as per ind as deferred tax liability occurred in f.y.2016-17 amounted to Rs.2,026/-

The changes to the total PPE account as on the transition date and as at the end of first year of transition have been summarized as follows:

Particulars	(Rs.in lakhs)	Particulars	(Rs.in lakhs)
<b>As on 01-04-2016</b>		<b>FY 2016-17</b>	
Office Premises	40.65	Office Premises (01/04/2016)	40.65
Other PPE	47.75	Other PPE (01/04/2016)	47.75
<b>Total PPE as per IGAAP (01/04/2016)</b>	<b>88.40</b>	<b>Total PPE as per IGAAP (01/04/2016)</b>	<b>88.40</b>
<b>(+/-) Ind AS Adjustments</b>		<b>For FY 2016-17</b>	
Deemed Cost Adj (Office Premises)	198.35	Additions/Deductions	25.73
<b>PPE as per Ind AS (01/04/2016)</b>	<b>286.75</b>	Depreciation as per IGAAP	18.91
		<b>Total PPE as per IGAAP (31/03/2017)</b>	<b>95.22</b>
		Deemed Cost Adj (Office Premises)	198.35
		Additional Ind AS depreciation	0.06
		Total Ind AD Adjustment	198.29
		<b>PPE as per Ind AS (31/03/2017)</b>	<b>293.50</b>

**B. Deferred Tax Liabilities (net) :**

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

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

- As on April 1, 2016 the deferred tax Assets already calculated on timing differences between depreciation as per Companies Act compared to depreciation allowable as per Income Tax Act was Rs.5,84,644/-.





7. With the adoption of Ind AS, there are adjustments to the amounts of assets (which have been identified under various notes in this document). These adjustments will also have an impact on the tax of the Company as per Indian Income Tax laws.
8. The identified difference between the Ind AS balance sheet amounts as compared to the Income Tax Balance Sheet amounts as on April 1, 2016 is Rs.68,64,461/- deferred tax liability. This has been deducted from Equity as part of "Retained Earnings".
9. This would impact the deferred tax liability to the extent of Rs.62,79,817/-.

#### C. Other Equity :

As on April 1, 2016, the "Other Equity" amount as per Indian GAAP was Rs.22,114,551/-. With the adoption of various Ind AS as on the Transition date, the amounts of Various Assets and Liabilities have undergone adjustments. These adjustments have been detailed in the various explanatory notes forming part of this report.

All these adjustments have cumulatively impacted the "Other Equity" and are disclosed separately under the heading "Retained Earnings". The impact on "Retained Earnings" is Rs.12,970,436/- as on the transition date as follows:

<b>Other Equity - Retained Earnings</b>	
<b>Particulars</b>	<b>(Rs. In lakhs)</b>
<b>As on 01/4/2016</b>	
As per IGAAP	221.15
<b>(+/-) IndAS Adjustments</b>	
Deemed Cost Adj (Office Premises)	198.35
Deferred Tax adjustment	68.64
<b>Total IndASAdj</b>	<b>129.70</b>
<b>As per IndAS as on 1/4/2016</b>	<b>350.85</b>

#### EXPLANATION OF MATERIAL ADJUSTMENTS TO THE STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31 2018

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

#### Events after the reporting period

There is no transaction or any events that have occurred after the date of Balance Sheet

#### Taxation :

Income tax recognized in statement of profit and loss:

	<b>(Rs.in lakhs)</b>	
	<b>2017-18</b>	<b>2016-17</b>
Current tax	14.46	22.69
Deferred tax	-8.16	-3.33
<b>Income tax expense recognized in statement of profit and loss</b>	<b>6.30</b>	<b>19.36</b>



The income tax expenses for the year can be reconciled to the accounting profit as follows:

	2017-18	2016-17
Profit before tax	33.97	48.54
Applicable tax rate	0.31	0.31
Computed Tax Expense	<b>10.50</b>	<b>15.00</b>
<b>Tax effect of:</b>	<b>1.69</b>	<b>1.69</b>
Exempted/ Other income	<b>-2.41</b>	-2.41
Expenses disallowed	<b>10.47</b>	12.69
Additional allowances	<b>-5.79</b>	-4.28
<b>Current Tax Provision (A)</b>	<b>14.46</b>	<b>22.69</b>
Decremental Deferred tax Liability on account of Tangible Assets	-9.36	-3.35
Incremental/ (Decremental) Deferred tax Liability on account of other items	1.20	0.02
<b>Deferred Tax Provision (B)</b>	<b>-8.16</b>	<b>-3.33</b>
<b>Tax Expenses recognized in Statement of Profit and Loss (A+B)</b>	<b>6.30</b>	<b>19.36</b>
<b>Effective Tax Rate</b>	18.55	39.89

25. Related Party Disclosure for the year ended 31<sup>st</sup> March, 2018:

(i) List of Related Parties and relationships:

(A) Particulars of Enterprises controlled by the Company	Relationship with company
<b>(B) Particulars of Key Management Personnel</b>	
MR. UPENDRA SHAH	Director
MR. HIMANSHU KAILASH SHAH	Director
MRS. MEENA UPENDRA SHAH (DIRECTOR'S WIFE)	Employee
MRS. SHITAL HIMANSHU SHAH (DIRECTOR'S WIFE)	Employee
MRS. MIHIKA BHARAT SHAH	Non Executive Director
MR. RONISH UPENDRA SHAH	Employee
<b>(C) Particulars of Enterprises Under Common control of the Key Management Personnel</b>	
MIRAR JEWELS PVT LTD	HIMANSHU SHAH IS DIRECTOR
RONISH GEMS	RONISH SHAH IS PARTNER

ii) Transactions during the year with Related Parties:



Particulars	Name of the Party	Volume in Rs.	Outstanding as on 31.03.2018	Volume in Rs.	Outstanding as on 31.03.2017
LOANS LIABILITY	MR. UPENDRA SHAH	58,37,793	47,83,072	-17,74,131	10,54,721
LOANS LIABILITY	MR.HIMANSHU KAILASH SHAH	-2,72,140	1,31,66,678	9,07,436	1,34,38,818
SALARY	MRS. MEENA UPENDRA SHAH	1,25,100	1,25,100	-	-
SALARY	MRS. SHITAL HIMANSHU SHAH	2,61,500	2,61,500	-	-
SALARY	MR. RONISH UPENDRA SHAH	1,35,800	1,35,800	-	-
SALE	MIRAR JEWELS PVT LTD	2,63,05,233	2,63,05,233	-	-
LOAN LIABILITY	RONISH GEMS	-3,77,56,858	3,79,22,943	-20,69,38,019	7,56,79,801
COMPENSATION FOR FACTORY PREMISE	RONISH GEMS	3,10,500	3,10,500	-	-

Note: Sale includes VAT.

## 26. Derivative Instruments:

a) Derivative contracts entered into by the Company and outstanding as on 31<sup>st</sup> March, 2018.

i) For hedging currency related risk:

Forward / option contracts (net) for Sales entered into by the Company and outstanding as on 31<sup>st</sup> March, 2018 amount to Rs. 1.37 crore. (There is no outstanding Contract as on 31<sup>st</sup> March 2017.)

**Derivative instruments:** The Company uses forward exchange contracts to hedge its exposure in foreign currency risk. The information on such contracts is as follows:

a) Forward/Options Contract Outstanding as at year end are as follows :

Particulars	Currency	As at 31/03/2018		As at 31/03/2017	
		Amount in foreign currency	Amount (Rs.)	Amount in foreign currency	Amount (Rs.)
Forward contract against receivables	US\$	200,000/-	157,252,732/-	NIL	NIL
Others against Firm Commitments or Future Forecasted Transaction	US\$	NIL	NIL	NIL	NIL
Forward contract against payables	US\$	NIL	NIL	NIL	NIL

### Unhedged foreign currency:

Disclosure in accordance with announcement dated December 2, 2005 issued by the Council of the Institute of Chartered Accountants of India (ICAI) with respect to details of foreign currency balances not hedge



a) The Company has disputed liability is as follows :

Sr No.	Nature of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where Dispute is pending
1	Income Tax Act, 1961.	Income Tax	20,03,350/-	Assessment Year 2008-2009	Commissioner of Income Tax
			34,90,750/-	Assessment Year 2012-2013	Commissioner of Income Tax
			12,14,870/-	Assessment Year 2013-2014	Commissioner of Income Tax

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

The Company has not entered into any Transaction with Micro, Small and Medium Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

29. **Payment to Auditors:**

(Rs. In lakhs)

	2017-18	2016-17
Statutory Audit	1.00	1.5
Certification Fees		
Others		0.44
<b>TOTAL</b>	<b>1.00</b>	<b>1.94</b>

30. **Earning Per Share:-**

	2017-2018	2016-2017
Profit After Tax (In Rs.)	3,032,672/-	3,105,901/-
Number Of Equity Shares	3,450,000	3,450,000
Nominal Value Per Equity Share (Rs.)	10	10
Earning Per Share(Basic) (Rs.)	0.88	0.90

(Rs. In lakhs)

Sr. No.	Particulars	2017-2018	2016-2017
31	Value of imported and indigenous consumption – Raw Material		
	· Imported Raw material	1197.34 28.12%	3446.78 61.50%
	· Indigenous Raw material	3060.25	2157.46
		71.88%	38.50%
	<b>TOTAL</b>	<b>4257.60</b>	<b>5604.24</b>



32	Finance Cost charged to Profit & Loss Statement is net of Interest received	197.55	216.32
33	Value of Import on CIF Basis Raw Materials	6161.00	7019.61
34	Expenditure in Foreign Currency	Nil	Nil
35	Earning in Foreign exchanges	NIL	NIL
	FOB value of Exports	3111.49	2665.85
36	Gain/(Loss) on Exchange Fluctuation as recognised in Profit & Loss Statement (net)	9.10	-194.12
37	Breakup of remuneration paid to Managing / Whole time Directors		
	a. Salary	31.24	31.72
	b. Contribution to Provident & Other Fund	NIL	NIL
	The Company has been advised that the computation of net profit pursuant to section 198 of the Companies Act, 2013 need not be enumerated since no commission has been paid to directors.		

**38. Financial Instruments Disclosure****Financial Assets**

			(Rs. In Lakhs)
Particulars	31.03.2018	31.03.2017	01.04.2016
Loans (Secured considered good unless otherwise stated)	-	-	-
At Amortised Cost	-	-	-
Loans to related parties	-	-	-
Total Loans	-	-	-
CURRENT ASSETS			
i) Trade Receivables - At amortised cost	8,304.84	7,581.01	7,054.03
ii) Cash and Cash Equivalents			
Balances with Banks in Current accounts	12.97	34.71	27.69
Fixed Deposits with Banks	0.34	0.27	12.75
Cash on hand	8.84	8.19	7.50
iii) Loans & Advances			
Unsecured, considered good - At amortised cost	48.33	23.45	18.54
Loans to related parties	-	10.55	1,365.22
Iv) Other Financial Assets			
Derivatives - Foreign Exchange Contracts -At FVTPL	3.64		
Other Assets	4.88	8.53	6.74
Total Financial Assets	8383.86	7666.70	8492.48

**Financial Liabilities**

			(Rs. In Lakhs)
Particulars	31.03.2018	31.03.2017	01.04.2016
<b>NON-CURRENT</b>			
Borrowings			
At Amortised cost	-	-	-
Loans from related parties-directors	-	-	-
<b>CURRENT LIABILITIES</b>			
i) Borrowings			
At Amortised cost			
Loan from bank - secured working capital	1,384.60	1,493.79	1,565.66
Loans from related parties-directors	693.36	939.87	125.31
ii) Trade Payables			
At Amortised Cost			
Creditors for Goods	9,019.64	5,414.21	9,685.28
iii) Other Financial Liabilities- At FVTPL			
Derivatives Foreign Exchange contracts	-	-	-
<b>Total Financial Liabilities</b>	<b>11,097.59</b>	<b>7,847.87</b>	<b>11,376.25</b>

**Financial Instruments by Category**

(Rs. In Lakhs)

Particulars	31.03.2018			31.03.2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Non-Current</b>						
Investments	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
<b>Current</b>						
Investments	-	-	-	-	-	-
Trade Receivables	-	-	8,304.84	-	-	7,581.00
Cash and Cash Equivalents	22.15			43.16	-	-
Loans						
To Others			30.33			10.55
to related parties	-	-	18.00	-	-	23.45



Derivatives - Foreign Exchange Contracts	3.64			-	-	-
<b>Non-Current</b>						
Borrowings	-	-	-	-	-	-
<b>Current</b>						
Borrowings	-	-	2,077.96	-	-	2,433.66
Trade Payables	-	-	9,019.63			5,414.21
Derivatives - Foreign Exchange Contracts	-	-	-	-	-	-

Note: For Financial assets and financial liabilities that are measured at Fair Value, the carrying amounts are equal to their fair values

#### Fair Value Related Disclosures:

##### Fair Value measurement:

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are summarized in the following notes.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

##### Valuation Techniques and Inputs used:

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobserved inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**Comparison by class of the carrying amounts and fair value of Financial Instruments:**

The management assessed that for all Financial Assets and Financial Liabilities, the carrying amounts are equal to the fair value.

**Fair Value Hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

(Rs. In lakhs)

<b>Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:</b>						
				<b>Fair Value measurement using</b>		
		<b>Date of Valuation</b>	<b>Total</b>	<b>Quoted prices in the active market (Level1)</b>	<b>Significant observable inputs (Level 2)</b>	<b>Significant observable inputs (Level 3)</b>
<b>Assets measured at fair value</b>						
	Investments					
	Non-Current	31.03.18	-	-	-	-
	Current	31.03.18	-	-	-	-
	Cash and Cash Equivalents	31.03.18	8.83	8.83		
	Other Bank Balances	31.03.18	12.97	12.97		
	Derivatives - Foreign Exchange Contracts	31.03.18				-
<b>Assets for which fair values are disclosed</b>						
	Loans (current)					
	to others	31.03.18	30.33		30.33	
	to related parties	31.03.18	18.00	-	18.00	-
	Other Financial Assets	31.03.18	8.53	8.53	-	-
	Trade Receivables	31.03.18	8,304.83	-	8,304.83	-
<b>Liabilities measured at fair value</b>						
	Derivatives - Foreign Exchange Contracts	31.03.18	-	-	-	-
<b>Liabilities for which fair values are disclosed</b>						
	Borrowings					
	Non-Current	31.03.18	-	-	-	-
	Current	31.03.18	2,077.95	-	2,077.95	-
	Trade Payables	31.03.18	9,019.63	-	9,019.63	-





(Rs. In lakhs)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:						
		Date of Valuation	Total	Fair Value measurement using		
				Quoted prices in the active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
<b>Assets measured at fair value</b>						
	Investments					
	Non-Current	31.03.17	-	-	-	-
	Current	31.03.17	-	-	-	-
	Cash and Cash Equivalents	31.03.17	8.18	8.18	-	-
	Other Bank Balances	31.03.17	12.97	34.70	-	-
	Derivatives - Foreign Exchange Contracts	31.03.17	-	-	-	-
<b>Assets for which fair values are disclosed</b>						
	Loans (current)					
	to others	31.03.17	23.44		23.44	
	to related parties	31.03.17	10.55	-	10.55	-
	Other Financial Assets	31.03.17	8.53		8.53	-
	Trade Receivables	31.03.17	7581.00	-	7581.00	-
<b>Liabilities measured at fair value</b>						
	Derivatives - Foreign Exchange Contracts	31.03.17	-	-	-	-
<b>Liabilities for which fair values are disclosed</b>						
	Borrowings					
	Non-Current	31.03.17	-	-	-	-
	Current	31.03.17	24.33	-	24.33	-
	Trade Payables	31.03.17	54.14	-	54.14	-



### Other Fair Value related Disclosures

#### Recurring / non-recurring classification of fair value:

All fair value measurements for the period ended 31/3/2018, 31/3/2017 and 1/4/2016 are recurring in nature and there are no Non-recurring fair value measurements of assets or liabilities in these periods.

#### Level 3 inputs related disclosure

There are no recurring fair value measurements using significant un observable inputs (Level 3) in the reporting periods and hence there is no effect of the measurements on profit or loss or other comprehensive income for the period.

#### Transfers between Level 1 and Level 2

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy for all assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### Change in Valuation techniques, if any

There has been no change in the valuation techniques in the reporting periods.

#### Financial risk factors

The company is exposed to a variety of financial risks such as credit risk, liquidity risk and market risk.

Financial risk management is carried out by a central treasury department under policies approved and delegated by the Board of Directors. The Board provides written principles for risk management.

The following table outlines the sources and exposure to risks and how the company manages these risks:

Risk	Exposure Arising from	Measurement	Management
<b>Credit Risk</b>	Cash and Cash equivalents, trade and other receivables, loans and advances, customer deposits, financial instruments and deposits with banks and financial institutions	Ageing Analysis, Calculation of ECL, Concentration of credit	Ageing Analysis, Credit Ratings, Provision Matrix
<b>Liquidity Risk</b>	Borrowings, interest thereon, trade and other payables	Cash flows measurement	Short Term and Long Term Cash forecasts
<b>Market Risk-Interest rate risk</b>	Variable and Fixed rate borrowings	Sensitivity Analysis	
<b>Market Risk-foreign currency risk</b>	Foreign currency transactions	Sensitivity Analysis	

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

The Company periodically assesses the financial reliability of customers / corporates considering the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable and loans receivable. These include customers / corporates, which have high credit-ratings assigned by international and domestic credit-rating agencies. Individual risk limits are set accordingly. There has been no credit loss arise during the year.



### Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 0-150 days. The ageing of trade receivables that are past due but not impaired is given below:

(Rs. In Lakhs)

Period in days	AS AT MARCH 31, 2018
0-30	1678
31-60	865
61-180	3540
181-360	1330
More than 360 days	884
Total	8297

### Reconciliation of the allowances for credit losses

The details of changes in allowances for credit losses during the year ended March 31, 2018

(Rs. In Lakhs)

Particulars	For the year ended MARCH 31, 2018
Balance as at 1 April	-
Provision made during the year	1.975
Trade receivables written off during the year	1.975
Balance as at 31 March	-

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company finances its operations by a combination of retained profits, disposals of assets, bank borrowings. Liquidity risk is managed by short-term and long-term cash flow forecasts.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018:

### Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2018:

(Rs. in Lakhs)

Contractual undiscounted cash flows	> Month	1 to 4 months	4 to 6 months	> 6 months
<b>Maturity analysis for Non-Derivative Financial liabilities:</b>				
Borrowings	230.97	311.08	82.05	1486.46
Interest on Borrowings	20.33	61.63	46.55	69.07
Trade payables	5081.75	1702.32	49.92	2066.27
<b>Maturity analysis for Derivative Financial liabilities:</b>				
Net settled derivative contracts – Financial Assets			2.00	
Net settled derivative contracts – Financial Assets				

**Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 31.03.2017:**

(Rs. in Lakhs)

Contractual undiscounted cash flows	> Month	1 to 4 months	4 to 6 months	> 6 months
<b><u>Maturity analysis for Non-Derivative Financial liabilities:</u></b>				
Borrowings	31.55	326.79	159.61	1898.39
Interest on Borrowings	25.50	66.86	61.57	62.42
Trade payables	2332.12	290.78	71.00	2720.32
<b><u>Maturity analysis for Derivative Financial liabilities:</u></b>				
Net settled derivative contracts – Financial Assets				
Net settled derivative contracts – Financial Assets				

**Maturity analysis for Derivative & Non-Derivative Financial liabilities as on 01.04.2016:**

(Rs. in Lakhs)

Contractual undiscounted cash flows	> Month	1 to 4 months	4 to 6 months	> 6 months
<b><u>Maturity analysis for Non-Derivative Financial liabilities:</u></b>				
Borrowings	17.33	357.22	261.35	942.13
Interest on Borrowings	11.26	57.46	38.12	81.89
Trade payables	5258.83	439.37	145.12	3841.96
<b><u>Maturity analysis for Derivative Financial liabilities:</u></b>				
Net settled derivative contracts – Financial Assets				
Net settled derivative contracts – Financial Assets				

**Market Risk**

Market risks include Interest Rate Risk and foreign Currency Risk. There are no identifiable Commodity Price Risks or Equity Price Risks foreseen in the current reporting period.

**Interest Rate Risk**

The Company is mainly exposed to the interest rate risk due to its variable and fixed rate domestic and foreign borrowings. The interest rate risk arises due to uncertainties about the future market interest rate on these borrowings.

**Foreign exchange risk**

The Company is exposed to foreign exchange risk principally via:

- Transactional exposure that arises from the sales / receivables denominated in a currency other than the functional currency of the company
- Transactional exposure that arises from the cost of goods sold / payables denominated in a currency other than the functional currency of the Company.
- Foreign currency exposure that arises from foreign currency term loans / Working Capital loans (including interest payable) denominated in a currency other than the functional currency of the Company.



### Sensitivity analysis

The sensitivity analysis reflects the impact on income and equity due to financial instruments held at the balance sheet date. It does not reflect any change in sales or costs that may result from changing interest or exchange rates.

#### Interest rate risk

Exposure of borrowings / (Interest-rate related derivatives, if any) related to interest rate changes

(Rs in Lakhs)

Particulars	As on 31/03/2018	As on 31/03/2017	As on 01/04/2016
<b>Variable rate borrowings</b>			
Bank Loan / Bank Overdraft	1,385	1,495	1,566

#### Interest rate risk sensivity

This indicates the sensivity to a reasonably possible change in interest rate borrowings / others

Impact on Profit & Loss	31/03/2018	31/03/2017
<u>For \$ Borrowings</u>		
Increase in Interest rate - 100 basis points	(13.85)	(14.95)
Decrease in Interest rate - 100 basis points	13.85	14.95

#### Foreign Currency risk

Exposure of all Financial Assets and Liabilities to foreign currency risk expressed in INR:

(US \$ in lakhs)

Particulars	As on 31/03/2018	As on 31/03/2017	As on 01/04/2016
	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Financial Assets</b>			
Trade Receivables	41.78	25.60	18.38
Cash and Cash Equivalents	0.00	0.03	NIL
<b>Financial Liabilities</b>			
Borrowings	8.37	8.96	10.90
Trade payables	108.68	47.18	95.81
Derivative Contracts (Net)	2.00	NIL	NIL

#### Foreign currency risk sensivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(\$ in lakhs)

Particulars	31/03/2018	31/03/2017
USD		
INR-USD Increase by 1%	(0.77)	(0.305)
INR-USD decrease by 1%	0.77	0.305

**39. Capital Management**

The Company's objectives when managing capital (defined as net debt plus equity) are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and adjusts it, in light of changes to economic conditions and the strategic objectives of the Company. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, buy back shares and cancel them, or issue new shares. The Company finances its operations by a combination of retained profit, bank borrowings, disposals of property assets, etc. The Company borrows uses borrowing facilities to meet the Company's business requirements of each local business.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

The capital gearing ratio as on 31 March 2018 and 31 March 2017 was **0.00%** and **0.00%** respectively.

**40. Collaterals:-**

**The Company has obtained working capital loan from banks which are secured by:**

- Hypothecation of Stock in trade – Value Rs. 41.45 Cr and Trade Receivables – Value Rs. 65.16 Cr.
- Mortgage of premises – Fair Value Rs. 12.00 Cr.

**Defaults**

For loans payable recognized at the end of the reporting period, there have been no defaults.

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

**As per our report of even date attached**

**For Mahindra Doshi & Associates**  
**Chartered Accountants**  
**FR No. 105765W**

For and on behalf of the Board

**Mahindra Doshi**

Proprietor

Company Secretary

Director

Director

Membership No. 041316

Place: Mumbai

Place: Mumbai

Place: Mumbai

Place: Mumbai

Dated:

Dated:

Dated:

Dated:

**\*\* Segment Reporting :-**

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018**

<b>Particulars</b>	<b>As at March 31, 2018 (Rs.)</b>	<b>As at March 31, 2017 (Rs.)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & extraordinary items	3,397,114	4,854,078
Adjustment for		
Depreciation	1,578,514	1,891,218
Interest Paid	18,141,726	18,552,085
Rent Income	(780,000)	(780,000)
Interest Income	(2,444)	(2,204)
Adjustment for		
( Increase ) / Decrease in Inventories	(286,059,472)	261,131,249
( Increase ) / Decrease in Receivables	(72,382,705)	(52,697,676)
( Increase ) / Decrease in Loans & Advances	(1,434,012)	134,797,787
( Increase ) / Decrease in Other Current Assets	(7,141)	
Increase / ( Decrease ) in Current Liabilities ( excluding borrowing )	389,759,119	(420,028,149)
Cash generated from / (used in) operations	52,210,698	(52,281,612)
Direct Taxes Paid	(1,180,000)	(2,075,000)
Cash Flow before Extra Ordinary Items	51,030,698	(54,356,612)
Extra Ordinary Items		-
Net Cash Flow from / (used in) operating activities	51,030,698	(54,356,612)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Income	2,444	2,204
Rent Income	780,000	780,000
Movement in Loans & Advances	(4,953)	(46,308)
Movement in Other Non Current Assets	-	1,248,171
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	(204,670)	(2,573,015)
Net Cash from / (used in) investing activities	572,821	(588,948)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(18,141,726)	(18,552,085)
Short Term Borrowings ( Net )	(35,570,029)	74,268,260
Net cash from / (used in) financing activities	(53,711,754)	55,716,175
Net increase / (decrease) in cash & cash equivalents	(2,108,235)	770,615
Cash & cash equivalents as at 1st April (Opening)	4,289,246	3,518,631
Cash & cash equivalents as at 31st March (Closing)	2,181,011	4,289,246

This is the Cash Flow Statement referred to in our report of even date.

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**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 Members:

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: .....

E-mail Id: ..... Signature: .....

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 31<sup>st</sup> Annual general meeting of the company, to be held on Saturday, September 29, 2018 at 10.30 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:

Resolution No.

1. To receive, consider, approve and adopt the Audited financial statement.
2. To reappoint Mr. Dilip Shah as a Director (DIN: 01114643) who is liable to be retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint of Statutory Auditors and to fix their remuneration.

Signed this..... Day of .....2018

Signature of Shareholder .....

Signature of Proxy holder(s).....

\* 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.

Affix  
Revenue  
Stamp

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**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

**31<sup>ST</sup> Annual General Meeting September 29, 2018**

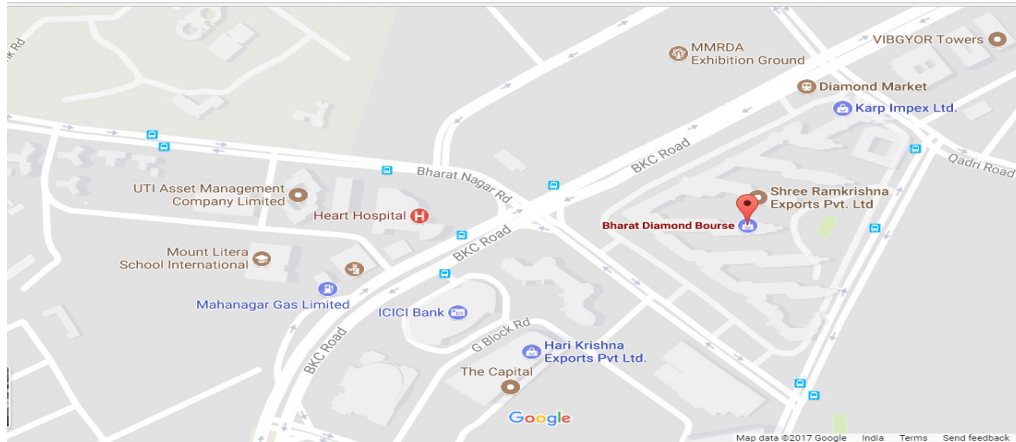
I hereby record my/our presence at the 31<sup>st</sup> Annual General Meeting of the Company (including adjournment thereof) at Office no. DE-8082, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai ,Maharashtra ,400051 held on Saturday, September 29<sup>th</sup>, 2018 at 10.30 A.M

Registered Folio / DP ID* & Client ID	
Name	
Address of Shareholder	
No. of Shares held	

\* 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:** 13/08/2018  
**Place:** Mumbai  
**Registered Office:**  
Office no. DE-8082, Bharat Diamond Bourse,  
Bandra Kurla Complex, Bandra (East),  
Mumbai, Maharashtra 400051

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## BOOK - POST



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](mailto:minidiamonds@yahoo.com)