

FORM-B

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1. Name of the company	C. Mahendra Exports Limited
2. Annual financial statements for the year ended	31 st March, 2015
3. Type of audit observation	Qualified
4. Frequency of observation	First Time
5. Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Refer basis for qualified opinion in auditor report of the enclosed annual report and comments to audit report in director's reports.
6. Additional comments from the board/audit committee chair:	N.A
7. To be signed by-	
CEO/ Managing Director	Sd/- Champak K. Mehta
Chairman	Sd/- Mahendra C. Shah
Auditor of the Company	Sd/- R. H Modi
Audit Committee Chairman	Sd/- Prabodh N. Shah



**C. MAHENDRA
EXPORTS LTD.**

**ANNUAL
REPORT
2014-15**



C. MAHENDRA EXPORTS LTD.

Bharat Diamond Bourse, Tower 'C', Office No. CC - 6011,
Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

Tel. : +91-22-2672 5555 • Fax : +91-22-2675 4560 • E-mail : bkc@cmahendra.com
CIN : L27205MH2007PLC166717

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Message from Chairman

Dear Members, Directors, colleagues and friends;

I am glad to welcome you to the 9TH Annual General Meeting. Your continued trust, support, encouragement and fair criticism based on data and facts are what give us energy, enthusiasm, confidence and motivation to strive for betterment. I will make a departure from my usual practice and skip talking about most of what is already available in the Annual Report 2015.

On behalf of the board of directors, C. Mahendra Group, and every one of you, I place, on record, our deep appreciation of the clients, vendors, partners, investors and bankers for their continued support.

The report also identifies key trends along the value chain for rough and polished diamonds, as well as diamond jewellery. We compare 2015's results with those of previous years, highlighting the impact of continuing economic uncertainty on the diamond market.

We need to support our growth by ensuring suitable, sustainable supply of rough diamonds. Given that diamond miners have been cutting back production, supply to the market will be limited, making this an even more important strategic focus. As many businesses have been limiting or ceasing their purchasing over the past few months, suppliers are tending towards companies that have shown consistency and continued demand over this difficult period.

Recognizing and building on our strengths will drive our growth and defend us against competitors. The superior quality of our products creates customer loyalty. And our passion for innovation allows us to offer our customers more exciting, desirable products with higher value propositions.

We want to make our shareholders, employees, customers and suppliers prouder than ever to be associated with C. Mahendra Exports Limited. I assure you of our best efforts and thank you for your continued commitment and belief in our Company. I look to forward to the success with you in the coming year.

Thank you for your attention.

With best Wishes,

Yours Sincerely

**Mahendra C. Shah
Chairman**

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Corporate Information

BOARD OF DIRECTORS:

Mr. Mahendra Chandulal Shah:
Mr. Champak Kirtilal Mehta:
Mr. Prabodh N. Shah:
Ms. Bindya S. Vasani
Mr. Diwakar R. Singh

Chairman
Managing Director
Independent Director
Independent Director
Independent Director

BANKERS:

Bank of Baroda
Bank of India
Corporation Bank
Punjab National Bank
Indian Bank
Central Bank of India
Canara Bank

State Bank of India
State Bank of Mysore
State Bank of Travancore
State Bank of Bikaner and Jaipur
State Bank of Patiala
HDFC Bank Limited
Union Bank of India

COMPLIANCE OFFICER:

Mehul Jain

STATUTORY AUDITORS:

M/s. R. H. Modi & Co.
Chartered Accountants,
23, Ambalal Doshi Marg,
Fountain, Mumbai – 400 023

REGISTERED & CORPORATE OFFICE:

M/s C. Mahendra Exports Limited
Tower 'C', Office No. CC-6011,
Bharat Diamond Bourse,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.
Tel: +91-22-26725555 Fax: +91-22-2675 4560
Email: bkc@cmahendra.com, website: www.cmahendra.com

REGISTRAR & SHARE TRANSFER AGENT:

M/s Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B. S. Marg, Bhandup (W),
Mumbai – 400 078
Phone: 2596 3838, Fax: 2594 6979

Company's Profile:

C. Mahendra Exports Ltd, a renowned and trusted name since 1974, is one of the leading diamantaire and jewellery Company with a wide spread around the world.

The pioneers of the Company, Mr. Mahendra C. Shah and Mr. Champak K. Mehta incorporated the business from the scratch in 1974. The flagship company of our CM Group, C. Mahendra Exports was formed in the year 1978 to carry on the business of manufacturing and trading of diamonds.

C. Mahendra Export's business operations span the world of diamonds from rough to retail. With a dream nurtured since 1978 in the Pioneers heart, to cater the diamond industry with consistent supply of polished diamonds, C. Mahendra Exports set up its first state of the art factory for manufacturing cut and polished diamonds in Surat, India in the year 1993.

In Jan, 2007, C. Mahendra Exports converted from Partnership Firm into a private company and March, 2007 changed from Private Company to Public Limited Company i.e. C. Mahendra Exports Ltd.

To cut and polished diamonds with ultimate brilliance, C. Mahendra Exports Ltd. has employed the latest and most advanced technologies for manufacturing of diamonds. CM Group has a highly skilled pool of human resources.

Today, through high business standards and ethics, impressive business model, CM Group has ensured a consistent supply of rough diamonds.

C. Mahendra Exports Ltd. has its Registered and Sales Office in Mumbai from where all the marketing, assorting, administration and finance operations are controlled. The entire operation for manufacturing is controlled and managed from the Surat office.

The success of C. Mahendra Exports limited can be attributed to our customer-centric philosophy, the quality standards we maintain, the meticulous manufacturing skills of our employees and fair trading practices which we actualize throughout the world. This in combination with our core family values ensures a loyal customer base all over the globe.

With overseas sales and distribution associates in 5 countries:

- China - Hong Kong
- India – Mumbai, Delhi
- UAE - Dubai
- Belgium - Antwerpen
- U.S.A - New York

C. Mahendra Exports Ltd. has its presence in the diamond studded jewellery business. Ciemme Jewels Ltd, a subsidiary of the company, designs and manufactures, diamond studded jewellery which is retailed under the brand name "Ciemme" across the world. C. Mahendra Exports Limited is one of the major manufacturers and distributors of polished diamonds and supplies loose polished diamonds to the jewellery trade globally. The manufacturing facilities in Varachha Road, Surat in Gujarat are equipped with the latest high-tech machinery. The company's continued emphasis on state-of-the-art factories, highly skilled personnel operating the very latest technology and implementation of quality control systems has resulted in efficient production. These high standards have been intrinsic to achieving the quality & reputation.



Today, C. Mahendra Exports Ltd. enjoys an envious position in the diamond industry of being one of the top exporters with an unblemished client record and also the Company is listed with Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd. & MCX Stock Exchange Ltd.

Responsible Jewellery Council (RJC)

C Mahendra BVBA, the Antwerp based entity of the C Mahendra Group is a member of the Responsible Jewellery Council (RJC).

The entity has adopted the following policy:

RJC Compliance Policy

The management of C Mahendra B.V.B.A., as a member of the Responsible Jewellery Council (RJC) is committed to complying with the Code of Practices of RJC.

We shall strive to:

- Adhere to ethical business practices
- Uphold fundamental human rights, treat workers with respect, encourage diverse workforce and provide a safe working environment
- Promote efficient resources and energy and reduce and prevent pollution

Comply with applicable laws in the countries where we operate and manage business risks including contractors, suppliers and partners.

Financial Highlights for the last five years of the Company

1. STANDALONE

(₹ in million)

PARTICULARS	FY 2015*	FY 2014**	FY 2013**	FY 2012**	FY 2011**
Profit and Loss Account					
Sales	5835.09	20241.33	21114.45	19568.00	18432.70
Other Income	380.51	171.44	47.06	526.7	104.70
PBDIT	-520.95	981.60	1242.07	1555.2	1316.3
PBDT	-1253.39	176.72	375.94	500.9	625.8
Interest	732.45	804.88	866.14	1054.3	690.5
Profit Before Tax	-1334.96	93.26	288.02	410.65	537.1
Profit After Tax	-1339.56	59.23	311.67	393.50	572.01
Basic Earnings Per Share of Rs. 10	-22.16	0.84	5.05	6.41	9.53
Balance Sheet					
Fixed Assets	796.72	883.59	940.53	1016.00	1184.90
Investment	1400.88	1398.08	1422.0	918.7	468.4
Net current Assets	14725.32	14976.14	14408.75	13502.30	12793.4
TOTAL	16922.92	17257.81	16771.19	15437.00	14446.70
Equity Share Capital	730.67	725.00	725.00	725.00	725.00
Reserves & Surplus	4189.88	5435.08	5386.37	5067.50	4745.30
Loan Funds	11951.91	11051.88	10630.58	9592.48	8919.00
Deferred Tax Liability	50.46	45.85	29.24	52.02	57.40
TOTAL	16922.92	17257.81	16771.19	15437.00	14446.70

* As per Standalone audited Financial Accounts

** As per Consolidated audited Financial Accounts

Notice

Notice is hereby given that the 9th Annual General Meeting of the members of C. Mahendra Exports Limited scheduled to be held on **Saturday, 26th September, 2015 at 3.00 PM. at 71, M.I.D.C, Cross Road-'C', Opp. Seepz Gate No. 2, Andheri (E), Mumbai – 400 093** to transact to following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet and as at March 31, 2015 and audited Statement of Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors along with annexure thereon.
2. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:
“RESOLVED THAT M/s R. H. Modi & Co., Chartered Accountants, Mumbai, (Registration No. 106486W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors.”

Special Business:

3. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time and listing Agreement, Mr. Diwakar R. Singh (DIN: 07255277), a Non-Executive Independent Director of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time and listing Agreement, Ms. Bindya S. Vasani (DIN: 03636726), a Non-Executive Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company.”

5. Approval for Related Party Transactions: To consider and if thought fit, to pass, the following resolution as a Special Resolution

“RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded for entering into the following proposed Related Party Transactions with respect to Sale, purchase or supply of any goods or materials directly or through appointment of agents, Selling, availing or rendering of any services directly or through appointment of agents and appointment to any office or place of profit in the company by / to C. Mahendra Exports Limited with immediate effect, every year thereafter, up to Rs. Hundred Crore per annum as appended in table below:

Sr. No.	Name of related Party	Relationship
1	C. Mahendra International Limited	Subsidiary
2	Ciemme Jewels Limited	Subsidiary
3	C. Mahendra Capital Limited	Associates
4	KPM Realty Private Limited (Erstwhile C. Mahendra Diam. Mfg. Pvt. Ltd.)	Associates
5	CM Infojewels Private Limited	Associates
6	Infojewels (India) Private Limited	Associates
7	Ashesha Trading Private Limited	Associates
8	Polo Developers Private Limited	Associates
9	C. Mahendra Commodities Private Limited	Associates
10	Ciemme Entertainment Private Limited	Associates
11	C. Mahendra (USA) Inc.	Subsidiary
12	C. Mahendra BVBA	Subsidiary of Subsidiary
13	C. Mahendra DMCC	Subsidiary of Subsidiary
14	C. Mahendra Exports HK	Subsidiary of Subsidiary
15	C. Mahendra International Ltd. Mauritius	Subsidiary
16	International Gems & Jewellery FZE	Subsidiary of Subsidiary
17	AL DASPA Gems & Jewellery FZE	Subsidiary of Subsidiary
18.	All Right Trading Private Limited	Associates

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By the order of the Board of Directors

Sd/-
(Mahendra C. Shah)
Chairman

Date : 26.08.2015

Place: Mumbai

Regd. Office:

Tower 'C' Office No: CC-6011,
Bharat Diamond Bourse, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
CIN: L27205MH2007PLC166717

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. 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 a proxy for any other person or shareholder.
 2. **THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
 3. As per clause 49 of the listing agreement(s), information regarding appointment/re-appointment of directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business to be transacted are annexed hereto.
 4. The Register of members and share transfer books of the Company will remain closed from Wednesday, 23rd September, 2015 to Friday, 25th September, 2015 (both days inclusive).
 5. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
 6. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days between 11.00 a.m to 1.00 p.m prior to the date of Annual General Meeting.
 7. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
 8. Members are requested to bring their copy of Annual Report at the meeting.
 9. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
- 10. Voting through electronic means:**
- Pursuant to Rule 20 of the Companies (Management and Administration) Rules, 2014 issued by the Ministry of Corporate Affairs, Government of India and Clause 35B of the listing agreement, the Company is providing facility of e-voting and voting through ballot to all members as per the applicable regulations. The voting facility is being provided through e-voting services provided by Central Depository Services (India) Limited (CDSL). The instructions for members for voting electronically and through ballot are given in below paragraphs. Such voting facility is in addition to e-voting that will take place at the meeting venue on September 26, 2015.
- A. The instructions for e-voting are as under:-
- (i) The e-voting period begins on September 23, 2015 at 10.00 am and ends on September 25, 2015 at 5.00 pm. During this period shareholders' of the Company, holding shares as on the cut-off date i.e. September 18, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alphanumeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. 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.
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>

Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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.
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for C. MAHENDRA EXPORTS LIMITED to vote.
- (xii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent

- to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- B. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company as on the cut-off date (record date) of Friday, 18th September, 2015
- C. A copy of this notice has been placed on the website of the Company and the website of CDSL
- D. CS Arun Dash, Practicing Company Secretary (Membership No.: ACS 18701; CP No: 9309) has been appointed as the Scrutinizer to scrutinize the e-Voting process/Ballot process in a fair and transparent manner.
- D. The Scrutinizer shall, after the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.
- E. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is sent along with this Notice. A member desiring to exercise vote by Ballot shall complete the said Ballot Form with assent (for) or dissent (against) and send it to CS Arun Dash, Practicing Company Secretary (Membership No.: ACS 18701; CP No: 9309), Scrutinizer, C/o. Link Intime

ANNEXURE TO NOTICE

India Private Limited, Unit: C. Mahendra Exports Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, Tel. No: +91 2225946970, Fax No.: +91 22 25946969, E-mail: mt.helpdesk@linkintime.co.in so as to reach him on or before Friday, 25th September, 2015 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

- F. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- G. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cmahendra.com and on the website of CDSL <https://www.evotingindia.co.in> immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.
- H. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- I. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

ANNEXURE TO NOTICE EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3 and 4

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mrs. Bindya S Vasani and Mr. Diwakar R. Singh as Independent Director and non-executive Director respectively at, on June 20, 2015 compliance with the requirements of the clause.

Pursuant to the provisions of Section 149(4) of the Act, which came in to effect from 1 April, 2014 and amended from time to time, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (which came into force w.e.f. 1 October, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this Annual General Meeting.

In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and Non-executive Director.

Ms. Bindya S. Vasani and Mr. Diwakar R. Singh are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of Ms. Bindya S. Vasani and Mr. Diwakar R. Singh for the office of Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith.

Mrs. Bindya S. Vasani and Mr. Diwakar R. Singh are deemed to be interested in the resolutions set out respectively at Item Nos. 3 to 4 of the Notice with regard to their respective appointments.

The Board of Directors recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

Item No. 5 Approval for Related Party Transactions

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The revised Clause 49 of the Listing Agreement which has come into operation with effect from October 1, 2014 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

All the proposed transactions put up for approval are in ordinary course of business and at arm's length. Pursuant to the provisions of revised Clause 49 of the Listing Agreement, the following contracts / arrangements / transactions solicit members approval by a special resolution:

Sr. No.	Name of Related party	Relationship
1	C. Mahendra International Limited	Subsidiary
2	Ciemme Jewels Limited	Subsidiary
3	C. Mahendra Capital Limited	Associates
4	KPM Realty Private Limited (Erstwhile C. Mahendra Diam. Mfg. Pvt. Ltd.)	Associates
5	CM Infojewels Private Limited	Associates
6	Infojewels (India) Private Limited	Associates
7	Ashesha Trading Private Limited	Associates
8	Polo Developers Private Limited	Associates

9	C. Mahendra Commodities Private Limited	Associates
10	Ciemme Entertainment Private Limited	Associates
11	C. Mahendra (USA) Inc.	Subsidiary
12	C. Mahendra BVBA	Subsidiary of Subsidiary
13	C. Mahendra DMCC	Subsidiary of Subsidiary
14	C. Mahendra Exports HK	Subsidiary of Subsidiary
15	C. Mahendra International Ltd. Mauritius	Subsidiary
16	International Gems & Jewellery FZE	Subsidiary of Subsidiary
17	AL DASPA Gems & Jewellery FZE	Subsidiary of Subsidiary
18.	All Right Trading Private Limited	Associates

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

Name of the Related Party	As per above table
Name of the Director or key managerial personnel who is related, if any	Mr. Mahendra C. Shah, Mr Champak K. Mehta, Mr. Probhod N. Shah, Mr. Diwakar R. Singh and Ms. Bindya S. Vasani
Nature of Relationship	As per above table
The nature, material terms, monetary value and particulars of the contract or arrangement	All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length.
Any other information relevant or important for the members to take a decision on the proposed resolution	None

The above contracts / arrangements / transactions were approved by the Audit Committee and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval.

All entities / persons/ related parties of the Company shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the

Shareholders. Accordingly, all related parties of the Company, including, among others Associates Group entities and the Directors and Key Managerial Personnel of CMEL will not vote on this resolution.

The Board of Directors recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

Annexure

Details of Directors proposed for appointment/ re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

1. MS. BINDYA S. VASANI

Ms. Bindya S. Vasani, 36 years, having good experience in areas relating to purchase and sale of polished diamonds specializes in diamond stock management currently responsible for marketing, purchase and assortment of diamonds.

Information regarding other directorship of the board and membership of committee is as under:

A. DIRECTORSHIP:

SR. NO.	NAME OF THE COMPANY
NIL	NIL

B. COMMITTEE MEMBERSHIP:

SR. NO.	NAME OF THE COMPANY	NAME OF THE COMMITTEE	CHAIRMAN/MEMBER
NIL	NIL	NIL	NIL

Ms Vasani does not hold any shares in the Company, directorship in other company or membership in any committee of any other listed company.

2. MR. DIWAKAR R. SINGH

Mr. Diwakar R. Singh a non-executive Independent director of the company. He is advocate by profession, having years of experience in practices in the field of Advocate.

The information regarding other directorship and membership of the board committee is as under:

A. DIRECTORSHIP:

SR. NO.	NAME OF THE COMPANY
NIL	NIL

B. COMMITTEE MEMBERSHIP:

SR. NO.	NAME OF THE COMPANY	NAME OF THE COMMITTEE	CHAIRMAN/MEMBER
NIL	NIL	NIL	NIL

Mr. Diwakar R. Singh does not hold any shares in the Company, directorship in other company or membership in any committee of any other listed company

Directors' Report

To,

The Members,

C. Mahendra Exports Limited

Your Directors are pleased to present the 9th Annual Report and the Audited Annual Accounts for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

The financial performance of the Company, for the year ended 31st March, 2015 is summarized below:

	(₹ in Million)	
Particulars	For the F. Y. ended 31 st March, 2015	For the F. Y. ended 31 st March, 2014
Income from Operation:		
Net Sales	5835.09	20148.30
Other Income	380.51	93.05
Total income from operations	6215.60	20241.34
Profit before Tax	-1334.95	93.26
Less: Current Tax	-	(18.00)
Mat Credit Entitlement	-	18.00
Deferred Tax	-4.61	16.61
Wealth Tax	0	0
Less: Prior period income tax adjustment	-	-17.41
Profit after Tax	-1339.56	59.23
Add: Profit brought forward	1928.89	1869.66
Amount Available for Appropriation	589.33	1928.89
Appropriation:	-	-
Utilized for bonus shares issued during the year		
Balance Carried to Balance Sheet	589.33	1928.89

REVIEW OF OPERATIONS

During the year under review, the Company's net sales were Rs. 5835.09 million as against Rs. 20148.30 million.

Your Directors are continuously looking for lucrative ventures for future growth of the Company.

BACKGROUND OF C. MAHENDRA GROUP

C. Mahendra Exports Ltd, a renowned and trusted name since 1974, is one of the leading diamantaire and jewellery Company with a wide spread around the world.

The pioneers of the Company, Mr. Mahendra C. Shah and Mr. Champak K. Mehta commenced the business in 1974. C. Mahendra Exports was formed in the year 1978 to carry on the business of manufacturing and trading of diamonds. It is the flagship company of our CM Group. C. Mahendra Exports set up its first state of the art factory for manufacturing cut and polished diamonds in Surat, India in the year 1993. Subsequently three subsidiaries were established to handle the expanded business.

Offices were opened outside India for effective and increased marketing. In 2003 Ciemme Jewels incorporated, in 2006, C. Mahendra Exports commissioned the second state of the art manufacturing factory at Varachha Road, Surat, India to manufacture large size polished diamonds. In Jan, 2007, C. Mahendra Exports converted from Partnership Firm into a private company and March, 2007 changed from Private Company to Public Limited Company i.e. C. Mahendra Exports Ltd.

C. Mahendra Exports Ltd. employs the latest and most advanced technologies for manufacturing of cut and polished diamonds with ultimate brilliance diamonds. CM Group has a highly skilled pool of human resources.

C. Mahendra Exports Ltd. has its Registered and Principal Sales Office in Mumbai from where all the marketing, assorting, administration and finance operations are controlled. The entire operation for manufacturing is controlled and managed from the Surat office. CM Group is firmly established across major diamonds and jewellery centers globally in 5 countries namely.

- China - Hong Kong
- India - Mumbai
- UAE - Dubai
- Belgium - Antwerpen
- U.S.A - New York

C. Mahendra Exports Ltd. enjoys an envious position in the diamond industry of being one of the top exporters with an unblemished client record. C. Mahendra Exports Ltd. has its presence in the diamond studded jewellery business. Our branded jewellery is retailed under the brand name "Ciemme" across the world.

C. Mahendra BVBA, the Antwerp based entity of the C. Mahendra Group is a member of the Responsible Jewellery Council (RJC). The management of C. Mahendra B.V.B.A., as a member of the Responsible Jewellery Council (RJC) is committed to complying with the Code of Practices of RJC.

PRINCIPAL ACTIVITIES

Diamond Manufacturing Facilities -

The Company set up its first factory for diamond production at Udhana, in 1993. The Company established second diamond cutting and polishing factory in Varachha in 2006 (100 % EOU) but now EOU status has been expired and established a unit in SEZ.

Green Energy Division (Wind Energy) -

The Company started the activities related to its Green Energy Division, by setting up Wind farm businesses at Sangli, Maharashtra in 2006 and Kutch, Gujarat in 2007.

The company has invested Rs. 68 Crores in the Green Energy in the state of Maharashtra and Gujarat. In the year 2005-06, the Company has installed eight Wind Turbine Generators (WTGs) each of 1.25 MW, total having 10 MW in the state of Maharashtra for sale of energy to MSEDCL. Further, in the year 2007-08, company has installed two Wind Turbine Generators (WTGs) each of 1.50 MW, total having 3.00 MW in the state of Gujarat for the captive consumption (Wheeling) for its units at, Udhana & Varachha in Surat.

SUBSIDIARY COMPANIES

The Company has various domestic and international subsidiaries and step-down subsidiaries:

- 1) C. Mahendra International Limited
- 2) C. Mahendra BVBA, Antwerp (Belgium),
- 3) C. Mahendra DMCC Dubai UAE,
- 4) C. Mahendra International Limited, Mauritius,
- 5) International Gems and Jewellery FZE,
- 6) AL DASPA Gems and Jewellery FZE,
- 7) Ciemme Jewels Limited
- 8) C. Mahendra USA Inc.,
- 9) C. Mahendra Exports (HK) Limited,

CONSOLIDATED FINANCIAL STATEMENTS

As the audit of the International Subsidiaries of the Company has not been completed, hence, the Consolidated Financial Statements are not annexed.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business.

FINANCE

The Company is availing Working Capital requirements from the Consortium of 14 Bankers and has obtained adequate finance during the year under review. The debt is secured by immovable properties, current assets and others. The banks have classified the loans given to the Company as NPA.

DIVIDEND

Due to losses during the year under review, the directors regret their inability to declare any dividend for the year under review.

SHARE CAPITAL

ISSUE OF SHARES ON CONVERSION OF SHARE WARRANTS

Bennett, Coleman & Co. Ltd have opted to convert the share warrant issued in their favour into 5,67,780 fully paid up equity shares. The same were converted, allotted and listed on the stock exchanges.

ISSUE OF BONUS SHARES

Further, the Company declared Bonus Shares in the ratio 1:1 to the Equity Shareholders of the Company. The Bonus shares allotted to the promoters are yet to be listed on the stock exchanges. Exchange have imposed penalty for delay in compliance of Clause 41 of the Listing Agreement.

LISTING ON STOCK EXCHANGES

The Shares of the Company continue to be listed on BSE Limited and National Stock Exchange of India Limited both having nationwide terminals.

The shares of the Company have been delisted from MCX-SX.

FIXED DEPOSITS

The Company has not accepted any public deposits during Fiscal 2015.

DIRECTORS APPOINTMENT

1. Ms. Bindya Vasani (DIN: 03636726) and Mr. Diwakar Singh (DIN: 07255277) were appointed as Non-Executive Independent Directors of the Company. Ms. Bindya Vasani is also the Women Director of the Company, pursuant to clause 49 (II) (A) (1) of Listing agreement and Section 149 of the Companies Act, 2013 w.e.f. 20th June, 2015.

The Company has received Notices in writing from a Member alongwith requisite deposits of money proposing the aforesaid two directors to the office of Directors under the Section 160 of the Companies Act, 2013.

The Board recommends their appointment as Independent Directors of the Company, not liable to retire by rotation. Necessary resolutions for obtaining approval of the Members in respect of the above appointments have been incorporated accompanying notice of Annual General Meeting.

2. Appointed Mr. Chetan N. Bafna (06968721) as Non-Executive Independent director of the company w.e.f. 13th November, 2014.
3. Appointed Mr. Swapnil T. Daffe as the Company Secretary and Compliance officer (Key Managerial Personnel of the Company), w.e.f. 7th May, 2014.
4. Resignation of Mr. Kailashchandra C. Chaudhary, Non-Executive Independent director, from the directorship of the Company w.e.f. 8th June, 2014 and the same accepted by the board.
5. Resignation of Mr. Sandeep M. Shah, Whole time director from the directorship of the Company w.e.f. 29th December, 2014 and the same accepted by the board.
6. Resignation of Mr. Vittala. S. Hegde, Non-Executive Independent director, from the directorship of the Company w.e.f. 18th September, 2014 and the same accepted by the board.
7. Resignation of Mr. Ashish Kumar Shrivastava, Company Secretary and Compliance officer (KMP) from the Company w.e.f. 31st March, 2014 and the same accepted by the board.

ROTATION

No Directors are liable to retire by rotation in the ensuing Annual General Meeting.

INSURANCE

The Properties and Assets of the Company are adequately insured.

PUBLIC DEPOSITS

During the year, the Company has not accepted any deposit.

RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 and the Clause 49 of the Listing Agreement. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

A statement of all Related Party Transactions is placed before the Audit Committee for its review

The Company has adopted a Related Party Transactions Policy and is uploaded on the Company's website. There have been no materially significant related party transactions between the Company and Directors, the management, subsidiaries or relatives.

During the Fiscal 2015 there are no material transactions between the Company and the related parties as defined under Clause 49 of the Listing Agreement. Further, all transactions with related parties have been conducted at an arm's length basis and are in ordinary course of business. Accordingly there are transactions that are required to be reported in **Form AOC-2** and as such form **annexure I** in Director's Report.

PARTICULARS OF EMPLOYEES

The Company does not have any employee/Director who is in receipt of remuneration aggregating to the sum prescribed in Section 197 of the Companies Act, 2013 ("the Act") read with Rule 5 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014

The required disclosures with respect to Remuneration and other details are set out in **Annexure – II** to this Report.

HUMAN RESOURCES

The relations between the management and the employees generally remained cordial in the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The details of Loans, Guarantees or Investments made during the year are given below:

Sr. No.	Companies	Nature of Transaction	Loans	Guarantees	Investments
1	C. Mahendra International Limited	Investment Capital	-	-	20128000
2	C. Mahendra BVBA	Investment Capital	-	-	616896799
3	C. Mahendra DMCC	Investment Capital	-	-	2560920
4	Ciemme Jewels Limited	Investment Capital	-	-	384000000
5	C. Mahendra trading	Investment Capital	-	-	374301301

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Act, read along with Rule, 8 of the Companies (Accounts) Rules, 2014, is **Annexed III**

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 the Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit and loss of the Company for the year ended March 31, 2015;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
- f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD MEETINGS

During the year under review, 12 (twelve) Board Meetings were convened and held. Details of the composition of the Board and its Committees and of the Meetings held and other relevant details are provided in the Corporate Governance Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in Corporate Governance Report, which forms part of Annual Report.

AUDITORS

Statutory Auditors

The Auditors M/s R. H. Modi & Co. Chartered Accountants (Firm Reg. No. 106486W), will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Members are requested to consider their re-appointment on such remuneration as may be mutually agreed to between the Statutory Auditors and the Board.

Internal Auditors

M/s V. A. Parikh & Associates, Chartered Accountants and M/s NSM & Associates, Chartered Accountants are the internal auditors of the Company.

Cost Audit

M/s Nanty Shah & Associates, were the Cost Auditors of the Company. The Company has been exempted from Cost Audit is not applicable to the Company vide MCA Circular and since then the Cost Audit has been discontinued.

Secretarial Auditor

M/s H.S Associates, Practicing Company Secretaries were appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2014-2015 pursuant to section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report is attached as '**Annexure IV**'. The Secretarial Auditors Report for the financial year 2014-15, does not contain any qualification, reservation or adverse remark.

VIGIL MEGHANISM/WHISTLE BLOWER POICY

The Company has adopted a Whistle Blower Policy establishing a Vigil Mechanism that enables the Directors

and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. The policy is on the website of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted Corporate Social Responsibility (CSR) Committee under the Chairmanship of an Independent Director pursuant to the subsection (1) of Section 135 of Companies Act, 2013.

The CSR Committee has formulated CSR Policy of the Company which is available on Company's website – www.cmelgroup.com

The Company has incurred loss in the year under review and due to the company turning into NPA; the Company is yet to initiate its CSR activities

RISK MANAGEMENT

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides for creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps. The policy is on the website of the Company.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

There was one separate meeting of Independent Directors held on Friday 27th March, 2015 and 2 (Two) Independent Directors were present i.e. Mr. Chetan Bafna (Chairman) and Mr. Prabodh N. Shah. In the Meeting the Independent Directors have reviewed the performance of the Chairman of the Company- Mr. Mahendra C. Shah and the performance of other Non Executive Directors and the Board as a whole. And assess the quality, quantity and timeliness of flow of information between the Company management. After review the Independent Directors were of the opinion that the performances of all company need to have more stronger to face the currant losses and commit to overcome in near future.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement the Company has adopted most of the provisions of Clause 49 of the Listing agreement. A report on Corporate Governance along with a certificate from the Secretarial Auditor of the Company regarding the compliance of conditions of Corporate Governance and also the Management Discussion and Analysis Report are annexed to this report.

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the same is annexed. Due to the ongoing losses and paucity of funds, the Promoter-Directors of the Company have foregone their salary.

DECLARATION BY INDEPENDENT DIRECTOR

Pursuant to Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors of the Company have given the declaration to the Company that they qualify the criteria of independence as required under the Act.

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee, including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

REPORT ON SEXUAL HARASSMENT IN THE FINANCIAL YEAR

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company had constituted an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment against women. The Committee comprises of the following members:-

1. Ms. Kalpana D Thakkar (Presiding Officer – Senior Employee)
2. Mr. Sanjay M. Masugade (Member - Human Resources & Administration)

During the financial year, the Company has received NIL compliant

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is **Annexure V** herewith.

COMMENT ON SECRETARIAL AUDITOR REPORT AND AUDITOR REPORT

Secretarial Auditor Report and Auditor Report is self explanatory.

ACKNOWLEDGEMENT

Your directors would like to place on record their deep sense of gratitude to the Shareholders, Banks, Financial Institutions, valued customers and business associates, and various other government/semi-government agencies for all the guidance, co-operation, support and encouragement extended by them to the company.

Your directors would also like to take this opportunity to gratefully appreciate the hard work and dedicated efforts put in by the employees and look forward to their continued contribution in future endeavors of the company.

For and On behalf of the Board of Directors

Date: 26/08/2015
Place: Mumbai

Sd/-
(Mahendra C. Shah)
Chairman



Annexure I

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 contracts or arrangements or transactions not at arm's length basis: C. Mahendra Exports Limited (CMEL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2014-15.
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - a. Name(s) of the related party and nature of relationship: C. Mahendra (USA) Inc., C. Mahendra BVBA, C. Mahendra DMCC, C. Mahendra Exports HK, C. Mahendra International Ltd. Mauritius, International Gems & Jewellery FZE, AL DASPA Gems & Jewellery FZE and Ciemme Jewels Limited
 - b. Nature of contracts / arrangements / transactions: Purchase and Sell
 - c. Duration of the contracts / arrangements / transactions: Continuous
 - d. Salient terms of the contracts or arrangements or transactions including the value, if any: Purchase and Sell
 - e. Date(s) of approval by the Board, if any: Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
 - f. Amount paid as advances, if any: Nil

For and On behalf of the Board of Directors

Date : 26/08/2015
Place : Mumbai

Sd /-
(Mahendra C. Shah)
Chairman

Annexure II**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

1. The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2014-15 and
2. The percentage increase in remuneration of each Director, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for Financial Year 2014-15	Percentage increase in Remuneration for the Financial Year 2014-15*	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Mahendra C. Shah	18,00,000	See note	18.00
2	Mr. Champak K. Mehta	17,50,000	See note	17.50
3	Mr. Sandeep M. Shah	11,00,000	See note	11.00
4	Mr. Swapnil T. Dafle	3,60,000	Nil	1.50

Note: Due to the ongoing losses and paucity of funds, the Promoter-Directors of the Company have foregone their salary w.e.f 1st September, 2014.

3. The Median Remuneration of Employees (MRE) of the Company is Rs. 20,000/- for the Financial Year 2014-15. There was no increase in MRE for the year increased as compared to the previous financial year.
4. The number of permanent employees on the rolls of the Company is 53 for the year ended March 31, 2015.
5. Sales and Operating Income for the year ended March 31, 2015 decreased by 71.04 % and there were no profit Before Tax as compared to the previous year. Decreased in employees' remuneration was 64.51 %.
6. The remuneration of the Key Managerial Personnel (KMP) of the Company and the percentage increase in the remuneration of KMP during 2014-15 is as given in 1 and 2 above. The performance of the Company is as stated in 5 above.
7. The Market Capitalisation as on March 31, 2015 was 56 Crores as compared to 1,122 Crores as on March 31, 2014. Price Earnings Ratio of the Company reduced to -17.57 as on March 31, 2015 as against 111.43 as on March 31, 2014. Percentage decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer is 92%, adjusted for Stock Split and Bonuses till date.
8. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was NIL. The percentage increase in the salary of managerial staff was NIL. The increase in remuneration is determined based on the performance by the employees of the Company.
9. The remuneration of each of the Key Managerial Personnel is given in 1 and 2 above. The performance of the Company, in comparison, is as stated in 5 above.
10. The Whole-time Directors have not been paid any variable component in comparison to the performance of the company. However, the independent directors have been paid sitting fees in proportion to the number of Board and Committee Meetings attended by them.
11. As the WTD have foregone their salary, all the employees are receiving remuneration in excess of the directors remuneration.

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Annexure III

THE STATUTORY INFORMATION IN TERMS OF RULE 8 of COMPANIES (ACCOUNTS) RULES, 2014 ARE AS FOLLOWS:-

(A) CONSERVATION OF ENERGY-

(i)	the steps taken or impact on conservation of energy	N.A.
(ii)	the steps taken by the company for utilizing alternate sources of energy	N.A.
(iii)	the capital investment on energy conservation equipment's	N.A.

(B) TECHNOLOGY ABSORPTION:-

The particulars regarding technology absorption, the company has adopted/absorbed during the period.

(i)	the efforts made towards technology absorption	The Company's core strategy for Research and Developments pertains to the Research of the new designs with added values to serve the consumers with the requirements. The product researches are conducted in phased manner during the year to introduce new designs and product ranges for betterment of the consumer market
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	The products available in marker are newly designed and available in designated showrooms across India
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
	(a) the details of technology imported	N.A.
	(b) the year of import;	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	the expenditure incurred on Research and Development	The Company's core strategy for Research and Developments pertains to the Research of the new designs with added values to serve the consumers with the requirements. The product researches are conducted in phased manner during the year to introduce new designs and product ranges for betterment of the consumer market.

(C) FOREIGN EXCHANGE EARNINGS OR OUTGO IN FOREIGN EXCHANGE DURING THE PERIOD:

The particulars relating to Foreign Exchange Earnings or out go in foreign exchange incurred during the period are:

Earning in Foreign Currency

Particulars	Current year 2014-15 (Rs)	Previous year 2013-14 (Rs)
F.O.B	2,425,849,000	14,875,478,675
Export	-----	3,904,066
Other Income		

C.I.F value of Imports

Particulars	Current year 2014-15 (Rs)	Previous year 2013-14 (Rs)
Finished goods:		
Polished diamonds	387,40,481	5,825,817,927
Raw materials;	8,083,57,398	5,184,298,279
Rough diamonds	1,986,241	13,915,918
Consumables, Stores and spares		

Expenditure in foreign currency (on accrual basis)

Particulars	Current year 2014-15 (Rs)	Previous year 2013-14 (Rs)
DTC VAS fees (TDS Rs. _____; Previous year Rs. 502,719)	-----	-----
Foreign travelling expenses	939,190 -----	1,922,650 -----
Diamond grading charges		

Annexure IV

Secretarial Audit Report

Form No. MR-3

For Financial Year Ended On 31st March, 2015.

[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,

C. MAHENDRA EXPORTS LTD.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **C. Mahendra Exports Limited** (hereinafter called “The Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2015, 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 and minute books as mentioned in **Annexure 1**, Forms and returns filed and other records maintained by **C. Mahendra Exports Limited** (“The Company”), for the year ended on 31st March, 2015 according to the extent applicable provisions of:

- I. The Companies Act, 2013 (“**The Act**”) and the Rules made thereunder, as applicable;
- II. The Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- VI. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for Compliances under other applicable Act, Laws and Regulations to the Company as given to us.

We further report that the Company has complied with the applicable clauses of the Listing Agreement entered into by the Company with BSE limited and NSE limited. However form A along with annual report pursuant to listing agreement had been wrongly uploaded.

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

The Listing Agreements entered into by the Company with the BSE Limited and NSE limited. During the year under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc mentioned above. However, the Company has unspent amount during the year in the amount to be spent towards Corporate Social Responsibility.

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. However during the year for a certain period the composition of the Board/ committee was improper pursuant to the listing agreement. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act

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

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 subject to the following observations:

1. The payment of interim dividend declared during the previous year i.e.2013-14 had been paid during the current year 2014-15 and there was a delay in payment.
2. During the year neither preference dividend was paid nor was provision made for the same.
3. During the year utilization of money raised by conversion of warrants was not intimated as required pursuant to clause 49(VIII I) of the listing agreement.
4. Company has not consolidated their accounts with that of its foreign subsidiaries in terms of section 136 of the Companies Act, 2013 and applicable provisions therein.
5. The Company has not calculated depreciation as required pursuant to schedule II of the Companies act, 2013.
6. Company has given loans to its subsidiaries however no interest had been charged on the same pursuant to section 186 of the Companies Act, 2013.
7. The Company has given loans to enterprises in which Key managerial persons have significant influence without complying provisions of section 185 of Companies Act, 2013

The Company has given loans to enterprises in which Key managerial persons have significant influence without complying provisions of section 185 of Companies Act, 2013 We further report that during the audit period the company has:

1. Intimated to the Stock exchange the launch of a first of its kind “Eight in One” jewellery concept to the market and its unique “handmade watches” by Ciemme Jewels Ltd., which is a subsidiary of C. Mahendra Exports Ltd.
2. During the year the Company has converted warrants into equity shares on 17th June, 2014 and they were duly listed on NSE, BSE and MCX stock exchange.

For **HS Associates**
Company Secretaries

Sd/-

Hemant S. Shetye
Partner

FCS No.: 2827

CP No.: 1483

Date : 26.08.2015

Place: Mumbai

This Report is to be read with our letter of even date which is annexed as Annexure 2 and it forms an integral part of this report.



Annexure – 1

REGISTERS, BOOKS, PAPERS AND MINUTE BOOKS MAINTAINED BY THE COMPANY.

1. Minutes of Board, Shareholders and Committee Meeting.
2. Register of Renewed or duplicate Share certificate.
3. Book of accounts.
4. Register of Members.
5. Index of Members.
6. Register of Directors and Key Managerial Personnel.
7. Register of Director's shareholdings.
8. Register of Charges.
9. Register of investments or loans made, guarantee or security provided.
10. Register of particulars of contracts in which Directors are interested.
11. Register of Contracts.
12. Register of Directors Attendance.
13. Register of Shareholders Attendance.
14. Register of Proxies.
15. Register of Transfers.

Date : 26.08.2015.
Place: Mumbai

For **HS Associates**
Company Secretaries

Sd/-

HemantS. Shetye
Partner

FCS No.: 2827

CP No.: 1483

Annexure – 2

To,
The Members,
C. Mahendra Exports Limited

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

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

For **HS Associates**
Company Secretaries

Sd/-

Hemant S. Shetye
Partner

FCS No.: 2827

CP No.: 1483

Date : 26.08.2015.

Place: Mumbai

Annexure V
Form No. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:					
1	CIN	L27205MH2007PLC166717			
2	Registration Date	04/01/2007			
3	Name of the Company	C. MAHENDRA EXPORTS LIMITED			
4	Category/Sub-category of the Company	Company Limited by Share			
5	Address of the Registered office & contact details	Tower 'C' Office No. CC-6011 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai-400 051			
6	Whether listed company	Yes (BSE and NSE)			
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B. S. Marg, Bhandup (W), Mumbai – 400 078 Phone: 2596 3838, Fax: 2594 6979			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)					
Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company		
1	Working of diamonds and other precious and semi-precious stones including the working of industrial quality stones and synthetic or reconstructed precious or semi-precious stones	32112	100		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	C. Mahendra International Limited, Tower 'C' Office No. CC-6011 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra(East), Mumbai-400 051	U36911MH1994PLC077071	Subsidiary	100	2(87)
2	Ciemme Jewels Limited, 71, M.I.D.C, Cross Road-'C', Opp. Seepz Gate No. 2, Andheri (East), Mumbai - 400093	U36911MH2003PLC139847	Subsidiary	51	2(87)
3	C. Mahendra Capital Limited, Tower 'C' Office No. CC-6011 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra(East), Mumbai-400 051	U74120MH1995PLC093417	Associates	None	2(6)

4	KPM Realty Private Limited (Erstwhile C. Mahendra Diam. Mfg. Pvt. Ltd.), : 1204 Panchratna, Opera House, Mumbai - 400 004	U51398MH1993PTC075199	Associates	None	2(6)
5	CM Infojewels Private Limited, 1204 Panchratna, Opera House, Mumbai - 400 004	U36900MH2000PTC126475	Associates	None	2(6)
6	Infojewels (India) Private Limited, 1204 Panchratna, Opera House, Mumbai - 400 004	U36900MH2000PTC126472	Associates	None	2(6)
7	Ashesha Trading Private Limited, 1204 Panchratna, Opera House, Mumbai - 400 004	U51311MH1998PTC113314	Associates	None	2(6)
8	Polo Developers Private Limited, 1204 Panchratna, Opera House, Mumbai - 400 004	U45200MH1997PTC111094	Associates	None	2(6)
9	C. Mahendra Commodities Private Limited, Tower 'C' Office No. CC-6011 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra(East), Mumbai-400 051	U51101MH2011PTC214382	Associates	None	2(6)
10	Ciemme Entertainment Private Limited, Tower 'C' Office No. CC-6011 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra(East), Mumbai-400 051	U92490MH2012PTC230723	Associates	None	2(6)
11	All Right Trading Private Limited, 26, Kadampalli Society, Near Sneh Milan Garden, Tamiliya Wad, Nanpura, Surat – 395 001	U51100GJ1998PTC045576	Associates	None	2(6)
12	C. Mahendra (USA) Inc., Z West 46th Street, Snite # 1506, New yark, 10036.	N.A	Subsidiary of Subsidiary	100	2(87)
13	C. Mahendra BVBA, Flat/RM E1/RM 40 3/F Hovenierstraat 30, 6th Floor, Office 665, Post Box 250, 2018, Antwerp, Belgium.	N.A	Subsidiary	77	2(87)
14	C. Mahendra DMCC, Unit No Almas 42 B, Almas Tower Plot No. Lt 2, Jumeirah Lakes Towers, Dubai, U.A.E	N.A	Subsidiary	100	2(87)
15	C. Mahendra Exports HK, Unit 309, 3/F, Guardforce Centre, 3 Hok Yuen Street, Hung Hom, Kowloon, Hong Kong	N.A	Subsidiary of Subsidiary	100	2(87)

16	C. Mahendra International Ltd. Mauritius, Level 3, Alexander House, 35 Cybercity, Ebene, 72201 Mauritius.	N.A	Subsidiary of Subsidiary	100	2(87)
17	International Gems & Jewellery FZE, Office 8-E, Amenity Center-1, Al-Jazeera. Al-Hamra, P.O. Box 86272, Ras-Al Khaimah U.A.E	N.A	Subsidiary of Subsidiary	100	2(87)
18	AL DASPA Gems & Jewellery FZE, P. O. Box 31291, Ras Al Khaimah - UAE	N.A	Subsidiary of Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	45,000,000	-	5,000,000	75.00%	6,350,000	-	36,350,000	60.02%	-19.22%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	5,000,000		45,000,000	75.00%	36,350,000		36,350,000	60.02%	-19.22%
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI		-		0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%

f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	7,357,581	-	7,357,581	12.26%	5,548,196	-	5,548,196	9.16%	-24.59%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	7,357,581	-	7,357,581	12.26%	5,548,196	-	5,548,196	9.16%	-24.59%
2. Non-Institutions									
a) Bodies Corp.	-	-	-	0.00%	4329662	-	4329662	0.00%	0.00%
i) Indian	6,157,531	-	6,157,531	10.26%	-	-	-	0.00%	-100.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	649,159	3	649,156	1.08%	7,965,567	3	7,965,570	13.15%	1127.07%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	507,869	-	507,869	0.85%	3,486,976	-	3,486,976	5.76%	586.59%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	11,648	-	11,648	0.30%	217,336	-	217,336	0.36%	1765.87%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	316,212		316,212	0.53%	2670040		2,670,040	4.41%	744.38%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	7,642,419	3	7,642,416	12.74%	18,669,581	3	18,669,584	30.82%	144.29%
Total Public (B)	5,000,000	3	4,999,997	25.00%	24,217,777	3	24,217,780	39.98%	61.45%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	60,000,000	3	59,999,997	100.00%	60,567,777	3	60,567,780	100.00%	42.23%

(ii) Shareholding of Promoter								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mahendra Chandulal Shah	9039131	15.07%	0	9039131	14.92%	0	0.00%
2	Kanu Chandulal Shah	5165217	8.61%	0	5165217	8.53%	0	0.00%
3	Champak Kirtilal Mehta	4910869	8.18%	0	4910869	8.11%	0	0.00%
4	Pravin Chandulal Shah	4304348	7.17%	0	4734782	7.82%	0	10.00%
5	Sandeep Mahendra Shah	3443478	5.74%	0	3443478	5.69%	0	0.00%
6	Suresh Kirtilal Mehta	3216522	5.36%	0	3216522	5.31%	0	0.00%
7	Prakash Kirtilal Mehta	4335652	7.23%	0	2305218	3.81%	0	-46.83%
8	Paraskumar Champaklal Mehta	3257610	5.43%	0	2257610	3.73%	0	-30.70%
9	Samir Pravin Shah	2367390	3.95%	0	1217390	2.01%	0	-48.58%
10	Pravin Kirtilal Mehta	4059783	6.77%	0	59783	0.10%	0	-98.53%
11	Kevin Prakash Mehta	469,566	0.78%	0	-	0.00%	0	-100.00%
12	Suken Pravinchandra Shah	430,434	0.72%	0	-	0.00%	0	-100.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)							
Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	31.03.2014		45,000,000	75.00%	45,000,000	74.30%
2	Changes during the year	Aug to Sep	Transfer	8,650,000	14.42%	8,650,000	14.28%
3	At the end of the year	31.03.2015		36,350,000	60.58%	36,350,000	60.02%

(iv) Shareholding Pattern of top ten Shareholders							
<i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i>							
SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	BENNETT, COLEMAN AND COMPANY LIMITED						
	At the beginning of the year				0.00%		0.00%
	Changes during the year	06/172014	Allot	567,780	0.95%	567,780	0.94%
	At the end of the year	31/03/2015		567,780	0.95%	567,780	0.94%
2	Name						
	ICICI LTD						

	At the beginning of the year	01/04/2014		355,271	0.59%	355,271	0.59%
	Changes during the year		Transfer	(354,326)	-0.59%	(354,326)	-0.59%
	At the end of the year	31/03/2015		945	0.00%	945	0.00%
3	Name						
	ELARA INDIA OPPORTUNITIES FUND LIMITED						
	At the beginning of the year	01/04/2014		1,517,444	2.53%	1,517,444	2.51%
	Changes during the year		Transfer	(115,000)	-0.19%	(115,000)	-0.19%
	At the end of the year	31/03/2015		1,402,444	2.34%	1,402,444	2.32%
4	Name						
	F6 FINSERVE PVT LTD						
	At the beginning of the year	01/04/2014		53,187	0.09%	53,187	0.09%
	Changes during the year		Transfer	283,286	0.47%	283,286	0.47%
	At the end of the year	31/03/2015		336,473	0.56%	336,473	0.56%
5	Name						
	AFRIN DIA						
	At the beginning of the year	01/04/2014		1,627,073	2.71%	1,627,073	2.69%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/2015		1,627,073	2.71%	1,627,073	2.69%
6	Name						
	LTS INVESTMENT FUND LTD						
	At the beginning of the year	01/04/2014		707,813	1.18%	707,813	1.17%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/2015		707,813	1.18%	707,813	1.17%
7	Name						
	CRESTA FUND LTD						
	At the beginning of the year	01/04/2014		1,810,866	3.02%	1,810,866	2.99%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/2015		1,810,866	3.02%	1,810,866	2.99%
8	Name						
	BRIDGE INDIA FUND						
	At the beginning of the year	01/04/2014		1,628,851	2.71%	1,628,851	2.69%
	Changes during the year			1,628,851)	-2.71%	1,628,851)	-2.69%
	At the end of the year	31/03/2015		-	0.00%	-	0.00%
9	Name						
	V J COMTRADE PRIVATE LTD						
	At the beginning of the year	01/04/2014		680,247	1.13%	680,247	1.12%
	Changes during the year		Transfer	(650,000)	-1.08%	(650,000)	-1.07%
	At the end of the year	31/03/2015		30,247	0.05%	30,247	0.05%
10	Name						

	AMRAPALI AADYA TRADING & INVESTMENT PVT. LTD						
	At the beginning of the year	01/04/2014		5,401	0.01%	5,401	0.01%
	Changes during the year		Transfer	1,033,017	1.72%	1,033,017	1.71%
	At the end of the year	31/03/2015		1,038,418	1.73%	1,038,418	1.71%
11	Name						
	MAGNIFIQUE GEMS PVT LTD						
	At the beginning of the year	01/04/2014		271,543	0.45%	271,543	0.45%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/2015		271,543	0.45%	271,543	0.45%
12	Name						
	MILLIONAIRE COMMODITES PVT. LTD						
	At the beginning of the year	01/04/2014			0.00%		0.00%
	Changes during the year		Transfer	127,500	0.21%	127,500	0.21%
	At the end of the year	31/03/2015		127,500	0.21%	127,500	0.21%
13	Name						
	MILLIONAIRE COMMODITIES PRIVATE LTD						
	At the beginning of the year	01/04/2014		712,000	1.19%	712,000	1.18%
	Changes during the year		Transfer	(664,900)	-1.11%	(664,900)	-1.10%
	At the end of the year	31/03/2015		47,100	0.08%	47,100	0.08%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name: MAHENDRA CHANDULAL SHAH						
	At the beginning of the year	31.03.2014		9,039,131	15.07%	9,039,131	14.92%
	Changes during the year			NIL	0.00%	NIL	0.00%
	At the end of the year	31.03.2015		9,039,131	15.07%	9,039,131	14.92%
2	Name: CHAMPAK KIRTILAL MEHTA						
	At the beginning of the year	31.03.2014		4,910,869	8.18%	4,910,869	8.11%
	Changes during the year			NIL	0.00%	NIL	0.00%
	At the end of the year	31.03.2015		4,910,869	8.18%	4,910,869	8.11%

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
(Amt. Rs./Lacs)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	110,853.79	3,868.94	-	114,722.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	110,853.79	3,868.94	-	114,722.73
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	2,321.89	24.47	-	2,346.36
Net Change	2,321.89	24.47	-	2,346.36
Indebtedness at the end of the financial year				
i) Principal Amount	108,531.90	3,844.47	-	112,376.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	108,531.90	3,844.47	-	112,376.37

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

NO DIRECTORS OR KMP DRAW ANY REMUNERATION FROM THE COMPANY w.e.f 1st September, 2014

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Name	Mahendra C. Shah	Champak K Mehata	Sandeep M Shah	(Rs/Lac)
	Designation	Whole Time Director	Managing Director	Whole Time Director	
1	Gross salary	18	17.5	11	46.5
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	NA	NA	NA	-
3	Sweat Equity	NA	NA	NA	-
4	Commission	NA	NA	NA	-
	- as % of profit				
	- others, specify				
5	Others, please specify	NA	NA	NA	-
	Total (A)	18.00	17.50	11.00	46.5
	Ceiling as per the Act	30.00	30.00	30.00	90.00

B. Remuneration to other Directors						
SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Kailashchandra C. Chowdhary	Vittala S. Hegde	Chetan N Bafna	Prabodh N. Shah	
	Fee for attending board committee meetings	-	0.48	0.74	1.42	2.64
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	0.48	0.74	1.42	2.64
2	Other Non-Executive Directors					-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	0.48	0.74	1.42	2.64
	Total Managerial Remuneration	-	-	-	-	2.64
	Overall Ceiling as per the Act	Sitting fees per meeting Rs. 1,00,000 /-				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD					
SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name			Mr. Swapnil T. Dafe	(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary	-	-	3.6	3.6
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify				
5	Others, please specify				-
	Total	-	-	3.60	3.60

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

Management Discussion and Analysis Report

Industry Structure and Developments

Diamond is the rarest and the purest piece of nature that can only be cut and polished but not mixed or merged with something else. Also it cannot be melted and reshaped. diamond's biggest competitor is gold, and lately the rare gem has been scoring over the yellow metal on this front on several count. Diamond as an investment assets is picking up pace in India. Although the pace is slow, this rise in investor interest is being fuelled by a combination of factors: rarity of a diamond, rapidly growing demand for this precious gem while supply is becoming a constraint, transparency, reliable certification, added security features and import duty differential with gold.

The Indian diamond jewellery industry operates in the field of manufacturing, importing as well as exporting. The fact that every 9 out of 10 diamonds cut and polished in the world hail from India. India's diamond industry, which is estimated to grow by an average 10 to 15 percent each year in the next five years, accounts for 70-75 percent of total diamond exports in world and employs 850,000 people, making it the largest cutting hub by value and number of employees.

Industry sources said the US market, which accounts for 37 per cent in the diamond jewellery segment of the world, is forecast to gain in 'high single digits in 2014, while there is a good momentum in the Chinese market as well. India is also expected to revive this year after a collapse in the Rupee, which dented the sales of diamond jewellery in 2013.

C.Mahendra Exports has its presence in the diamond studded jewellery business. Ciemme Jewels Ltd., a subsidiary of the company, designs and manufactures, diamond studded jewellery which is retailed under the brand name "Ciemme" across the world.

Today, C.Mahendra Exports enjoys an envious position in the diamond industry of being one of the top exporters with an unblemished client record.

We also wish to continuously set elixir quality of standards of excellence both personally and professionally that alone proves to be yardstick and example to our dedication towards objectives.

a) **Diamonds**

India has had a long love affair with Diamonds throughout its history. In fact the country is the biggest consumer in the world when it comes to rough diamonds. The coloured gemstone sector is a fast growing segment of the Indian gems and jewellery industry. India is a leading source

for a spectrum of gemstones, progressing from its traditional concentration on emeralds and Tanzanites to now manufacturing a dazzling array of coloured gemstones.

India, a traditional leader in diamond manufacturing, has enjoyed its low cost- high skill advantage over the past many years. The government has continuously provided a conducive statutory environment for the industry. Yet Indian presence in the global jewellery industry is yet to be felt. With all its marketing talent, India is yet to create a leading international luxury brand in diamonds, despite being manufacturer for many other international brands. The time for Indian diamond and jewellery industry has come to take a quantum leap in the world scenario. The opportunity is there to be grabbed with an enabling infrastructure, reduced red tapism and high levels of technological innovations, in addition to the traditional Indian advantages.

b) **Retail Sector of the Indian gems and jewellery market**

The Indian branded jewellery market is growing far more rapidly than the overall jewellery market due to all the factors includes strong performance of the Indian economy, rise in the number of high net worth individuals and an increasingly youthful population with high disposable incomes. Moreover, the changing lifestyle and culture of this section, which has a greater exposure to global fashion and tastes. Branded jewellery products are a perfect fit for the opportunities offered by the rapid development of modern retail formats like malls, lifestyle stores etc.

Most of the branded offerings are in the diamond jewellery segment, with only a few plain gold and coloured stone studded brands. There are brands for different niches and price points which range from very high end designer jewellery for special occasions to the more affordable collections for daily wear.

India has significant reserves of gold, diamond, ruby and other gemstones. Key states with gemstone reserves and mining potential are Maharashtra, Madhya Pradesh, Orissa, Chattisgarh, Bihar and Andhra Pradesh. Orissa has deposits of ruby and has about 20 varieties of various gemstones such as rhodolite, garnet, aquamarine, etc. Andhra Pradesh has gold and diamond bearing areas, as well as

occurrences of semi-precious and abrasive stones spread over different districts. Diamonds are mined only at Panna in Madhya Pradesh by the National Mining Development Corporation.

India is world's largest cutting and polishing centre for diamonds; the cutting and polishing industry is well supported by government policies and the banking sector with around 50 banks providing nearly USD 3 billion of credit to the Indian diamond industry. It is considered to be diamond polishing and processing capital of the world as its artisans are skilled in processing small-sized diamonds. At present, India exports 95% of the world's diamonds, according to statistics released by the Gems and Jewellery Export promotion Council (GJEPC). A major portion of the rough, uncut diamonds processed in India is exported, either in the form of polished diamonds or finished diamond jewellery.

The country is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it is a leading foreign exchange earner. The sector is expected to generate up to USD 35 billion of revenue from exports by the year 2015. The countries where demand is increasing for Indian jewellery include the UAE, the US, Russia, Singapore, Hong Kong, Latin America and China.

The sector provides employment to around 1.8 million people. In the next five years, the sector is expected to create additional employment for around 1.1 million people.

The hub of India's jewellery industry is Mumbai that receives the majority of the country's gold and rough diamond imports. Mumbai has a considerable number of modern, semi-automatic factories and laser-cutting units, the majority of which are located in the special economic zone. Most of the diamond processing, though, is undertaken in Gujarat, (primarily in Surat, Bhavnagar, Ahmadabad and Bhuj) and in Rajasthan (Jaipur).

c) Export of Gems and Jewellery

Indian gems & jewellery industry saw an increase in manufacturing activities indicated by the 33 percent growth in the export of gold jewellery contributing significantly to India's foreign exchange earnings and supported balance of payments.

d) Government Initiatives

The Government of India has allowed 100 per cent foreign direct investment (FDI) in Gems and jewellery sector through the automatic route.

FDI up to 74 per cent is allowed under the automatic route for exploration and mining of diamonds and precious stones. Further, 100 per cent FDI is allowed for exploration and mining of gold and silver and minerals other than diamonds and precious stones, metallurgy and processing, etc.

e) Road Ahead

The US and Japanese jewellery markets will bounce back with an estimated 5 per cent growth while China will remain stable at 10 per cent growth, as per Mr Vipul Shah, Chairman, GJEPC.

C Mahendra Exports Limited deals in only natural and untreated diamonds ensuring full disclosure to the consumer. C Mahendra Exports Limited buys diamonds from sources that do not encourage any conflict, terrorism, or illicit trade activity. Entire procurement of diamonds is from sources that are verifiable and not engaged in any money laundering activity. The Company has appointed a Compliance Officer to act on best effort basis to prevent any malpractices in procuring diamonds or sales to customers.

Currently, the Indian gems and jewellery market is dominated by the unorganized sector; however, the trend is set to change in near future due to the growing acceptance of branded jewellery market.

Segment-wise Performance

The Company has only one business segment viz. Gems and Jewellery, which is being considered as the primary segment.

The financial information about business segment is not applicable since segment results / revenue / assets of the wind mill business are not more than 10 percent of the combined business results / revenue / assets.

Details of segment-wise performance included in the segmental reporting being a part of notes on accounts as annexure of the Annual Report.

Opportunities, Threats and Outlook

The Indian diamond industry is the heart of the world diamond industry today. Indian manufactures have helped the diamond world recover from the downturn of 2008 and give diamond its true value in its four decades of

existence. It is no hidden fact that diamonds manufactured in India constitute 65% by value, 85% by volume and 92% by pieces of the world diamond production, making the country not only the leading global manufacturer but also one of the highest consumers of rough diamonds in the world today. We are recently working with the government to start a unique concept called “Notified Free Trade Zone” for rough diamonds, which will give the opportunity to the diamond mining companies trade roughs in India at a tax friendly environment, where the concept is that if you bring diamonds in that zone, you only pay one-time tax for the sales you do.

India is not only a leading manufacturing and export centre for gem and jewellery products. The love that we as Indians have for gold and jewellery is known to all. India’s consumption of Gem & Jewellery has grown rapidly over the years at the rate of 10-15% per annum and today the domestic Indian market is estimated to be over US\$ 30 billion. While the country is the largest consumer of Gold globally, the demand for Diamonds and Diamond jewellery has been growing at a rate of over 40% per annum. In fact, in a recent study, it has been seen that India and China are now emerging as one of the leaders in the global jewellery industry in terms of consumption, besides production and trade.

China is attempting to corner supply of rough diamonds by pushing for direct deals with African countries and thus posing a threat to the nation’s gems and jewellery trade, a study released by industry body Assocham. If trends are anything to go by, Surat, which accounts for about 95 per cent of the world’s diamond trade, may lose its crown of ‘The Diamond City’ to China, according to the study. Expressing concern over Surat-based diamond polishing units considering to relocating, Assocham said it could affect employment scenario there.

It also estimates that the domestic market for gems and jewellery will touch USD 35 billion to USD 40 billion by 2015. India has several strengths that have made it a significant force in the global gems and jewellery business. These are:

- Highly skilled, yet low-cost labour.
- Established manufacturing excellence in jewellery and diamond polishing.
- India is the most technologically advanced diamond cutting centre in the world.

- Opportunity to address one of the world’s largest and fastest-growing gems and jewellery markets.
- Opportunity to leverage India’s strengths to address the global market.

Threats

- Volatility in prices of rough gemstones.
- China posing threat to the Indian diamond industry.
- The diamond manufacturers and the artisans have thus advanced further in their field sustaining their profits even as they glitter in various stores in India.
- Diamond exporters are feeling the heat of the US meltdown. With the demand gone down not only in the international market, but in the domestic market as well, more orders are being cancelled every day.

Risk Factors

Players in this industry are heavily dependent on imports and exports and are, therefore, susceptible to exchange rate movements. Any volatility in exchange rate affects their margins

The gems and jewellery sector is affected by the rupee/dollar exchange rate because it is export-oriented. Any volatility in the exchange rates affects the margins of the players. For instance, the recent appreciation in the rupee against the dollar had made the exports of gems and jewellery less competitive in its key export destinations.

As the gems and jewellery sector is highly dependent on imports for its raw materials, the players have to maintain a high level of inventory. However, maintaining this inventory becomes difficult for the players during the slack season, as it carries inventory price risk. For instance, due to the current recessionary trends, the demand slumped and inventory piled up much to the chagrin of the players.

Manufacturing risks could arise from the inability to maintain stable operating environment. The company mitigates this risk by operating state-of-the-art diamond cutting and polishing facilities and jewellery manufacturing units.

Internal control systems and their adequacy

The Company has strong internal control systems which have been found adequate by the management of the company. The audit committee reviews the internal control system / procedure periodically to ensure its adequacy and effectiveness.

Corporate Governance Report

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company subscribes fully to the principles and spirit of good Corporate Governance and embeds the principles of independence, integrity, accountability and transparency into the value system driving the Company.

The Board of Directors exercise their fiduciary responsibilities towards all stakeholders by ensuring transparency and independence in the decision making process. The Whistle Blower Policy of the Company provides a mechanism for the employees to approach the Chairman of Board Audit Committee/Ethics Counselor and disclose information that may evidence unethical or improper activity concerning the Company.

Corporate Governance is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality.

II. COMPOSITION OF BOARD OF DIRECTORS

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with the requirement of the Clause 49 of the Listing Agreement entered into with the stock exchanges in which the Company's Equity Shares are listed as on the date of signing of this report.

The Board of Directors as on 31st March, 2015 comprised of five members - three Non-Executive and two Executive Directors. Mr. Mahendra C. Shah and Mr. Champak K. Mehta are Executive Directors of the Company. Mr. Prabodh N. Shah, Mr. Chetan N. Bafna are Independent and Non-executive Director and Mrs. Rasilaben M. Shah is a Non-Executive Director. The Executive and Non-Executive Directors are competent and knowledge personalities in their respective fields.

The Independent Directors take part in the proceedings of the Board and Committee meeting which enables qualitative decision making. They receive sitting fees for attending the meeting and do not have any other material or pecuniary relationship or transaction with the Company, its promoters, its directors, management, subsidiaries or associates.

Separate Meeting of Independent Directors:

As stipulated in the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 27th March, 2015 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Details of Board meetings attended by Directors, attendance at the last AGM, number of other Directorships/ Committee membership held by them during the year 2014-15 are tabulated below:

Composition of the Directors and their attendance at the Board meetings during the year and at the last AGM is as follows:

Sr. No	Name & Designation of Directors	Category of Directorship	Whether Attended Last AGM held on 22 September 2014	No. of Board Meetings attended during the 2014-15	No. of Directorship in other public companies*	No. of Committee position in other public companies **	
						Member	Chairman
1.	Mr. Mahendra Chandulal Shah	Executive Director	Yes	12	3	-	-
2.	Mr. Champak Kirtilal Mehta	Executive Director	No	5	4	-	-
3.	Mr. Prabodh Nagardas Shah	Independent Non-executive Director	Yes	12	-	-	-
4.	Mr. Kailashchandra Chowdhary (Resigned on 8 th June, 2014)	Independent Non-executive Director	No	-	1	-	-
5.	Mr. Vittala Sooru Hegde (Resigned on 18 th September, 2014)	Independent Non-executive Director	No	4	-	-	-
6.	Mr. Sandeep Mahendra Shah (Resigned on 29 th December, 2014)	Executive Director	Yes	8	2	-	-
7.	Mr. Chetan Nagraj Bafna (Appointed on 13 th November, 2014)	Independent Non-executive Director	No	6	-	-	-
8.	Mrs. Rasilaben Mahendra Shah (Appointed on 31 st March, 2015)	Non-executive Director	No	0	-	-	-

*Excludes directorships held in Foreign, Private Limited and Section 25 Companies.

** Represent chairmanships/memberships of Audit Committee and Stakeholder Relationship Committee.

There were 12 (Twelve) Board Meetings held during the year 2014-15 on (1) 04.04.2014; (2) 30.05.2014; (3) 17.06.2014; (4) 14.08.2014; (5) 25.09.2014; (6) 13.11.2014; (7) 14.11.2014; (8) 18.12.2014; (9) 14.01.2015; (10) 14.02.2015; (11) 02.03.2015; (12) 31.03.2015

Further a Meeting of the Independent Directors was held on 27.03.2015

Evaluation of the board's Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance and 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 details of the program for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and other related matters are uploaded on the Company's website. www.cmahendra.com.

None of the directors on the Board is a member of more than 10 committees and chairman of more than 5 committees (as per Clause 49 of the Listing Agreement), across all the companies in which he is director.

III. BOARD COMMITTEES

Each member of the committee namely Audit Committee, Stakeholder relationship committee, Nomination and remuneration committee, Risk Management Committee and Corporate Social Responsibility the quorum for meetings is either two members or one-third of the members whichever is higher. Usually the committees meet four times a year and the recommendations of the committees are submitted to the Board for approval. The Audit Committee was constituted with all independent directors.

1. Audit Committee

According to the definition laid down in section 149(6) of the Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges.

The Audit Committee consisting of the following directors as on 31st March, 2015:

1. Mr. Prabodh Nagardas Shah (Chairman & Independent Director)
2. Mr. Chetan Nagraj Bafna (Member & Independent Director)
3. Mr. Mahendra Chandulal Shah (Member & Executive Director)

Terms of Reference

The functions of Audit Committee include:

1. Oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of engagement and payment to statutory auditors for any other non-audit services rendered by the statutory auditors.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
5. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
6. Review with the Management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters required to be included in the Directors' Responsibility Statement forming part of the Directors' Report, in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - (ii) Changes if any, in the accounting policies and practices and reasons for the same.
 - (iii) Major accounting entries involving estimates based on the exercise of judgement by Management.
 - (iv) Significant adjustments made in the financial statements arising out of audit findings.
 - (v) Compliance with listing and other legal requirements relating to financial statements.
 - (vi) Disclosure of related party transactions.

(vii) Qualifications in the draft Audit Report.

7. Reviewing the adequacy of internal audit function 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.
8. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
9. Carrying out any other function as mentioned in the terms of reference of the Audit Committee or as may be assigned by the Board of Directors.

Composition of Audit Committee and details of meetings attended by Directors are given below:

Four Audit Committee Meetings were held on 30th May, 2014, 14th August, 2014, 14th November, 2014 and 14th February, 2015.

Name	Category	No. of Meetings	
		Held	Attended
Mr. Kailashchandra Chowdhary (resigned on 8 th June, 2014)	Independent Director (Chairman)	4	0
Mr. Vittala Sooru Hegde (Resigned on 18 th September, 2014)	Independent Director (Member)	4	2
Mr. Prabodh Nagardas Shah	Independent Director (Member)	4	4
Mr. Sandeep Mahendra Shah (Resigned on 29 th December, 2014)	Director (Member)	4	2
Mr. Chetan Nagraj Bafna (Appointed on 13 th November, 2014)	Independent Director (Member)	4	2
Mr. Mahendra Chandulal Shah (Member w.e.f 14 th February, 2015)	Director (Member)	4	1

2. **Stakeholder Relationship Committee**

The Committee looks into the redresses of shareholders'/investors' complaints, issue of duplicate/consolidated share certificates, allotment and listing of securities and review of cases for refusal of transfer/transmission of shares and reference to statutory and regulatory authorities. The Committee oversees the performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

The Stakeholder Relationship Committee consisting of the following Directors as on 31.03.2015:

1. Mr. Prabodh Nagardas Shah (Chairman & Independent Director)
2. Mr. Chetan Nagraj Bafna (Member & Independent Director)
3. Mr. Mahendra Chandulal Shah (Member & Executive Director)

Four Stakeholder Relationship Committee Meetings were held on 30th May, 2014, 14th August, 2014, 14th November, 2014 and 14th February, 2015.

Name	Category	No. of Meetings	
		Held	Attended
Mr. Kailashchandra Chowdhary (Resigned on 8 th June, 2014)	Independent Director (Chairman)	4	0
Mr. Vittala Sooru Hegde (Resigned on 18 th September, 2014)	Independent Director (Member)	4	2
Mr. Prabodh Nagardas Shah	Independent Director (Member)	4	4
Mr. Sandeep Mahendra Shah (Resigned on 29 th December, 2014)	Director (Member)	4	2
Mr. Chetan Nagraj Bafna (Appointed on 13 th November, 2014)	Independent Director (Member)	4	2
Mr. Mahendra Chandulal Shah (Member w.e.f 14 th February, 2015)	Director (Member)	4	1

Status of Shareholders'/Investors' Complaints:

Particulars	No. of complaints
No. of Complaints pending as on 1 st April 2014	NIL
No. of Complaints received, attended and resolved during period of 1 st April 2014 to 31 st March 2015	NIL
No. of Complaints pending as on 31 st March 2015	NIL

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consisting of the following directors as on 31.03.2015:

1. Mr. Prabodh Nagardas Shah (Chairman & Independent Director)
2. Mr. Chetan Nagraj Bafna (Member & Independent Director)
3. Mr. Mahendra Chandulal Shah (Member & Executive Director)

Terms of Reference

The functions of Nomination and Remuneration Committee include:

- a) 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 for the directors, Key Managerial Personnel and other employees;
- b) To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- c) To evaluate performance of Directors, Key Managerial Personnel and senior management and formulate the appropriate performance benchmarks.
- d) To formulate appropriate remuneration policy having balance between fixed and incentive pay according to short term and long term performance objectives.
- e) To formulate specific remuneration packages for executive directors including pension rights and any compensation payment.
- f) Any other matter as may be deemed necessary”

One Nomination and Remuneration Committee Meeting was held on 14th November, 2014 during the year 2014-15:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Prabodh Nagardas Shah	Independent Director (Chairman)	1	1
Mr. Chetan Nagraj Bafna	Independent Director (Member)	1	1
Mr. Mahendra Chandulal Shah	Director (Member)	1	1

Remuneration to Executive Directors and their Shareholding:

Name of Directors	Remuneration in Rs. (Inclusive of allowances and perquisites)*	Shareholding	
		No. of Shares	Percentage
Mr. Mahendra C. Shah	43,20,000 per annum	9039131	15.0652
Mr. Champak K. Mehta	42,00,000 per annum	4910869	8.1848

* Due to the ongoing losses and paucity of funds, the Promoter-Directors of the Company have foregone their salary w.e.f 1st September, 2014

Remuneration to Non-Executive Directors and their Shareholding:

Apart from the sitting fees that are paid to non-executive directors for attending the Board/Committee meetings no other fees or commission were paid during the year.

Name of Directors	Remuneration paid during the year in ₹ (Sitting Fees)		Shareholding	
	Board Meetings	Committee Meetings	No. of Shares	Percentage
Mr. Kailashchandra Chowdhary	-	-	-	-
Mr. Vittala Sooru Hegde	40000	8000	-	-
Mr. Prabodh Nagardas Shah	120000	22000	-	-
Mr. Chetan Nagraj Bafna	60000	14000	-	-

4. **Risk Management Committee**

The Risk management Committee consisting of the following directors as on 31.03.2015:

1. Mr. Prabodh Nagardas Shah (Chairman & Independent Director)
2. Mr. Chetan Nagraj Bafna (Member & Independent Director)
3. Mr. Mahendra Chandulal Shah (Member & Executive Director)

One Risk Management Committee Meeting where held on 14th February, 2015 during the year 2014-15:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Prabodh Nagardas Shah	Independent Director (Chairman)	1	1
Mr. Chetan Nagraj Bafna	Independent Director (Member)	1	1
Mr. Mahendra Chandulal Shah	Director (Member)	1	1

5. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee consisting of the following directors as on 31.03.2015:

1. Mr. Mahendra Chandulal Shah (Chairman & Independent Director)
2. Mr. Chetan Nagraj Bafna (Member & Independent Director)
3. Mr. Prabodh Nagardas Shah (Member & Executive Director)

Terms of Reference

The functions of Corporate Social Responsibility Committee include:

- a) To frame the CSR Policy and its review from time-to-time.
- b) To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- c) To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

One Corporate Social Responsibility Committee Meeting was held on 14th February, 2015 during the year 2014-15:

Name	Category	No. of Meetings	
		Held	Attended
Mr. Mahendra Chandulal Shah	Director (Chairman)	1	1
Mr. Chetan Nagraj Bafna	Independent Director (Member)	1	1
Mr. Prabodh Nagardas Shah	Independent Director (Member)	1	1

The Company has incurred loss in the current year. Hence, the Company is not in the position to contribute towards in CSR Activities.

6. Information on General Body Meetings

i) Annual General Meetings:

The last three Annual General Meetings (AGMs) of the Company were held at the following dates, time and venue.

Financial Year	AGM No.	Location	Day and Date	Time	Special Resolutions approved at the AGM
2013-14	8 th	Hotel Tunga International B/11, M.I.D.C , Central Road, Andheri (E), Mumbai- 400 093	Monday, 22 nd September, 2014	2:30 P.M.	i) Authority to borrow money in excess of paid up capital and free reserves of the company in terms of Section 180(1)(c) of the Companies Act, 2013. ii) Authority to create security in terms of Section 180(1)(a) of the Companies Act, 2013.

2012-13	7 th	Hotel Tunga International B/11, M.I.D.C , Central Road, Andheri (E), Mumbai- 400 093	Monday, 16 th September, 2013	2:30 P.M.	i) Alteration of Articles of Association u/s 31 of the Companies Act, 1956. ii) Change in utilization of IPO Proceeds in pursuant to Section 61 of the Companies Act, 1956 subject to such other approvals, permission & sanctions.
2011-12	6 th	Hotel Tunga International B/11, M.I.D.C , Central Road, Andheri (E), Mumbai- 400 093	Wednesday, 26 th September, 2012	2:30 P.M.	i) Alteration of Articles of Association u/s 31 of the Companies Act, 1956. ii) Preferential Issue of Convertible Share warrants/ FCDs u/s 81(1A) of the Companies Act, 1956

ii) Extra Ordinary General Meetings:

During the financial year 2014-15, no Extra-Ordinary General Meeting was held by the Company.

iii) Resolution passed through Postal Ballot

No Resolution has been passed by way of postal ballot during the financial year 2014-15.

7. Code of Conduct

As provided under Clause 49 of the Listing Agreement and in line with the Company's objective of following the best Corporate Governance Standards the Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The code has been circulated to all the members of the Board and Senior Management and the same had been put on the Company's website www.cmahendra.com. The Board Members and the Senior Management personnel have affirmed their compliance with the Code of Conduct for the year ended March 31, 2015.

8. Disclosures

i) Related Party Transactions

The Related Party Transactions which have potential conflict with the interest of the Company at large with related parties are disclosed separately as Annexure in the Notes to Accounts in the Annual Report.

ii) Auditors Comments

NIL

iii) No Penalties or Strictures

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets during last three years.

The Company has complied mandatory requirements of Corporate Governance under clause 49 of the Listing Agreements with the Stock Exchanges.

9. Means of communication

Quarterly Audited/Unaudited Financial Result and Annual Result are published in a widely circulated news paper published in 'Free Press', and 'Nav Shakti' Mumbai edition.

Annual report containing inter alia Audited Standalone and Consolidated Financial Statements, Directors' Report, Corporate Governance Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information is circulated to members and others who are entitled to it.

All important information relating to Company and its performance including the financial results and shareholding pattern are available on the Company's website www.cmahendra.com.

The Company puts all the price sensitive information's in to public domain by way of intimating the same to Stock Exchanges immediately.

The Company has registered with SCORES (SEBI Complaints Redress Systems) for attending, receiving and resolving investor complaints.

10. Proceeds from Public Issues

The Company has not raised any money by public issue during the year except conversion of share warrant in into Equity Share, at the price of Rs. 234.95 to Bennet Colement & Co. and the said amount was spent towards purpose provided in the offer document.

11. A) Compliance with other mandatory requirements

a) Management Discussion and Analysis

A management discussion and analysis report forms part of the Annual Report and includes discussion on various matters specified under clause 49(IV) (F) of the Listing Agreement.

b) Subsidiaries

All the Subsidiary Companies are Board managed with their Boards having the rights and obligations to manage the Company in the best interest of the stakeholders. As a majority stakeholder, the Company monitors the performance of such companies.

c) Secretarial Audit for reconciliation of capital

A qualified Practicing Company Secretary has carried out secretarial audit for every quarter to reconcile the total admitted capital with both the depositories; viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Company had submitted the Share reconciliation audit report BSE, NSE & MCX-SX within 30 days from the end of each quarter in accordance with the requirements of Regulation 55A of the SEBI (Depositories and Participants) (Second Amendment) Regulations 2003.

d) CEO/CFO Certification

A certificate as required under clause 49(V) of listing agreement from The CEO, i.e. the Managing Director or Manager appointed in terms of the Companies Act, 1956 and the CFO i.e. the whole-time Finance Director or any other person heading the finance function discharging, was placed before the Board.

12 B) Compliance with non- mandatory requirements**a) Board**

The Board has an executive Chairman. Independent Directors have been duly appointed. The Independent directors on the Board hold requisite qualifications and experience which enables them to make effective contribution to the Company in their capacity as an Independent director, which is very useful to the Company.

b) Nomination and Remuneration Committee

The Company has set up a Nomination and Remuneration committee which is vested with the powers to recommend the remuneration payable to Managerial Personnel in accordance with section 197 of the Companies Act, 2013 read with schedule V part B of the Companies Act, 2013 and any increments thereof within the maximum limits as approved by the shareholders from time to time. All the members of remuneration committee are independent directors.

c) Shareholders' Right

The Company publishes its results on its website at www.cmahendra.com which is accessible to the public at large.

12. General shareholders information**a) Annual General Meeting Date, Time & Venue**

Day, Date : Saturday, 26th September, 2015

Time : 3.00 P.M.

Venue : 71, M.I.D.C, Cross Road-'C', Opp. Seepz Gate No. 2, Andheri (East) Mumbai – 400 093

b) Financial Year: April 1, 2014 to March 31, 2015.**c) Dates of Book Closure**

Our register of members and share transfer books will remain closed from **23rd September, 2015 to 25th September, 2015 (both days inclusive)**.

d) Listing on Stock Exchanges

Equity Shares:

i) Bombay Stock Exchange Ltd., Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

ii) National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

iii) Delisted from MCX stock exchange and approval has been obtained.

e) Listing Fees

Listing fees as required have been paid to the above stock exchanges.

f) Demat ISIN

Demat ISIN number INE378J01013 in NSDL & CDSL.

g) Market Price Data

The monthly high & Low Prices of the Company traded at the Bombay Stock Exchange Ltd., Mumbai from April, 2014 to March, 2015 are as follows:

Months	BSE Limited (BSE)			National Stock Exchange (NSE)		
	High Price in Rs.	Low Price in Rs.	Sensex	High Price in Rs.	Low Price in Rs.	Nifty
April, 2014	212.70	184.00	22,417.80	190.35	187.25	6,696.40
May, 2014	253.00	182.55	24,217.34	240.95	231.30	7,229.95
June, 2014	254.90	203.55	25,413.78	226.10	205.00	7,611.35
July, 2014	226.90	187.00	25,894.97	209.85	200.00	7,721.30
August, 2014	202.20	46.20	26,638.11	46.55	46.55	7,954.35
September, 2014	43.90	20.15	26,630.51	20.00	20.00	7,964.80
October, 2014	19.15	10.65	27,865.83	12.15	11.60	8,322.20
November, 2014	20.97	12.35	28,693.99	17.00	15.65	8,588.25
December, 2014	16.40	12.20	27,499.42	12.95	12.20	8,282.70
January, 2015	17.75	12.55	29,182.95	13.35	12.80	8,808.90
February, 2015	14.95	11.35	27,957.49	12.65	12.00	8,901.85
March, 2015	13.39	8.51	27,011.31	9.30	8.80	8,491.00

h) Share Transfer System

The company offers the facility of Transfer-cum-demat facility as per SEBI Guidelines. The Share Transfers, which are received in physical form, are processed subject to the documents validity and completeness of documents in all respects.

i) Distribution of Shareholding (Shares)

Sr. No.	Shareholding of Share	Shareholder	Percentage of total	Total Share	Percentage of total
1	1 to 5000	8041	66.7192	14991790	2.4752
2	5001 to 10000	1831	15.1925	15898340	2.6249
3	10001 to 20000	989	8.2061	15731470	2.5973
4	20001 to 30000	364	3.0202	9512340	1.5705
5	30001 to 40000	167	1.3857	6082010	1.0042
6	40001 to 50000	168	1.394	7942700	1.3114
7	50001 to 100000	241	1.9997	17769930	2.9339
8	100000 to 99999999	251	2.0826	517749220	85.4826
9	Total	12052	100	605677800	100.0

j) Registrar and Share Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B. S. Marg, Bhandup (W),
Mumbai – 400 078
Phone: 2596 3838, Fax: 2594 6979

k) Registered, Admin Office & Branch Office of the Company**Registered & Admin Office:**

C. Mahendra Exports Limited
Tower 'C' Office No: CC-6011,
Bharat Diamond Bourse,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.
bkc@cmahendra.com

Branch Office:

C. Mahendra Exports Limited
26, Kadampali Soc., Near
Sneh-Milan, Timaliyawad,
Nanpura, Surat – 395001.
cmpolished@cmahendra.com

l) Diamond Manufacturing Factory:

C. Mahendra Exports Ltd
Plot No – 37, Near Umiya
Mata Chowk, Tprs No – 352/353,
A.K. Road, Varachha,
Surat – 395008.
cmpolished@cmahendra.com



Declaration on compliance of Code of Conduct of Board of Directors & Senior management

To,

The members of
C. Mahendra Exports Ltd.

The Company has framed a specific Code of Conduct for the members of the Board of directors and the senior management personnel of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges to further strengthen corporate governance practices in the company.

All the members of the Board and senior management personnel of the company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2015.

Sd/-
Mahendra C. Shah
Chairman

Date : 26.08.2015
Place: Mumbai

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA

Corporate Governance Compliance Certificate

To

The Members of
C. Mahendra Exports Ltd.

We have examined the compliance of conditions of Corporate Governance by **C. Mahendra Exports Limited** for the year ended 31st March, 2015, as stipulated in the Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement except noncompliance of Clauses 49 (IIA), (IIB), (IV), (VIII I)& (VIII B).

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

Date: 26.08.2015.
Place: Mumbai

For **HS Associates**
Company Secretaries

Sd/-
Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483

TO,

The Board of Directors,
C. Mahendra Exports Limited
Tower 'C' Office No: CC-6011,
Bharat Diamond Bourse,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Annual Certification

I the undersigned Mr. Mahendra C. Shah, Chairman of the Company hereby certify that for the financial year ended 31st March, 2015, I have reviewed Annual Accounts, financial statement and other cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct;
4. I accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of some internal control system of the Company and we have disclosed to the auditors and the Audit Committee the deficiencies, of which we are aware, in the design or operation of the internal control systems and we have taken the steps to rectify these deficiencies, if any.
5. I further certify that there are no significant changes in internal control during the year and there have been no significant changes in accounting policies during the year.

Sd/-

Mahendra C. Shah
Chairman

Date : 26.08.2015

Place: Mumbai

Independent Auditor's Report

TO THE MEMBERS OF C MAHENDRA EXPORTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of C Mahendra Exports Limited ("the Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of the 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 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 the appropriate accounting policies, making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 there under.

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 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 financials control relevant to the Company's preparation of the financial statements and 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 financial statements.

Basis for qualified opinion

Basis for Disclaimer of Opinion

1. Reference is invited to note no. 1 regarding preparation of accounts on a Going Concern basis and the reasons stated therein, the Company's operating results have been materially affected due to various factors including non availability of finance in view of the consortium bankers recalling the financial facilities granted, symbolic possession of premises taken by the Bankers, Factory has ceased to carry on manufacturing activity. These events cast significant doubts on the ability of the Company to continue as a going concern since the volumes of business have also drastically dropped in the last 12 months. The appropriateness of the going concern assumption is dependent on the Company's ability to raise adequate finance from alternate means and/or recoveries from overseas debtors to meet its short term and long term obligations as well as to establish consistent business operations. In absence of any convincing audit evidences, no positive steps taken by the management, non recovery of trade receivables on due dates, non payment of

liabilities including Income Tax dues and in view of multiple uncertainties stated above, we are unable to determine the possible effects on the financial statements. We are also unable to conclude on the ability of the company to carry on as a going concern.

2. Reference is invited to note no.42 most banks have not provided balance confirmations, hence we also unable to confirm the bank balance (including working capital facility and overdraft) and interest payable thereon since the accounts are frozen by the consortium of banks and as a result facility has been ceased to be operational. and notice under section 13(2) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,2002 is received by the Company.

No provision for interest is made amounting to Rs 915,371,518/- since all the bank accounts have become non performing assets (NPA)

3. Reference is invited to note no. 43 regarding Trade Receivables amounting to Rs. 11,949,340,981/- which are outstanding for more than 1 year from invoice date. As explained therein, the recoveries from these trade receivables have been almost negligible. There have been defaults on the payment obligations by the debtors on the due dates. As informed by the management no reply is received from any parties to whom legal notices were sent. No confirmations are obtained. In view of the above we are unable to comment on the realisability of the debts and any provision to be made for unrealisability in the carrying amounts of these balances and the consequential impact, on the financial statements.
4. In absence of audited / unaudited results of subsidiaries and step down subsidiaries, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of Company's investment in various subsidiaries as at March 31, 2015. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. The said investments continue to be valued at cost.
5. No valuation has been carried out by an independent valuer as done in earlier years accordingly, the determination of estimated net realizable value is made by management, hence we were unable to satisfy ourselves by alternative means concerning

the inventory held at 31st March, 2015 which are stated in the Balance Sheet at Rs.163,01,90,777/-

6. The factory has ceased to carry on manufacturing activity since October, 2014. The Management has not carried out impairment of assets test as required by Accounting Standard (AS) 28 regarding Impairment of Assets. Hence we are unable to comment upon the impact in the financial statements.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph specifically relating to the multiple uncertainties created above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the aforesaid financial statements.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

1. Reference is invited to note no.43 of the financial statements, the Company's advances to the extent of Rs. 11,706,797/- we are unable to ascertain whether such balances are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided for the same, the loss for the period would have been higher by the said amount.
2. Reference is invited to note no. 47 to the Companies Act, 2013 ("the Act") coming in to effect from April 1, 2014, the Company has not realigned the remaining useful life of fixed assets in accordance with the provisions prescribed under Schedule II to the Act and has continued to provide depreciation as per old Companies Act, 1956 hence we are unable to comment upon the impact in the financial statements.
3. Reference is invited to note no.48 the management has confirmed that no financial adjustment is required to be made in the financial statements on account of various allegations, amongst promoters and defamation notice received by the Managing Director of the company.
4. Reference is invited to note no.50 regarding absence of any intimation received from vendors regarding the status of their registration under "Micro,

Small and Medium Enterprises Development Act, 2006”, the company is unable to comply with the disclosures required to be made under the said Act.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”) issued by the Central Government of India in exercise of powers conferred by Section 143 (11) of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order,
2. As required by Section 143(3) of the Act, we report that:
 - a) As described in the basis of Disclaimer of opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Due to possible effects of the matter described in the basis for Disclaimer of opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) Due to possible effects of the matter described in the basis for Disclaimer of opinion paragraph, we are unable to state whether The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Due to possible effects of the matter described in the basis for Disclaimer of opinion paragraph, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
 - g) With respect to the other matters to be included in the Auditors’ 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any materials foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For R. H. Modi & Co.
Chartered Accountants
(Firm Reg. No. 106486W)**

**Sd/-
R. H. Modi
Proprietor
Membership No. : 037643**

**Place : Mumbai
Date : 26.08.2015**

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. In respect of its fixed assets:
 - (a) The Company has not satisfactorily maintained records showing particulars including quantitative details and situation of fixed assets. In the absence of an updated fixed asset register and due to non-availability of records of physical verification we are unable to ascertain the appropriateness of the same.
 - (b) As explained to us most of the assets have been physically verified by the Management during the year in accordance with a phased programme of verification adopted by the company and no material discrepancies were noticed on such verification. However we are unable to verify the reasonableness of the same, as necessary documentary evidences were not made available for our verification
- ii. In respect of its inventories:
 - (a) As explained to us the company has conducted physical verification at reasonable intervals in respect of inventory. However we have not received any documentary evidence to verify the same.
 - (b) In the absence of documentary evidence we are unable to ascertain whether the procedures of physical verification of stock followed by the Management are reasonable and adequate or in relation to the size of the company and the nature of its business.
 - (c) In our Opinion the company is not maintaining proper records of inventory. In the absence of records we are unable to ascertain whether discrepancies if any were noticed on physical verification of stocks.
- iii. The Company has granted unsecured loan to 3 Companies covered in the register maintained under section 189 of the Act, which is repayable on demand. The maximum amount outstanding during the year Rs.2,67,150/- and the year end balance of such loan is Rs.NIL. There is no interest charged and other terms and conditions of the loan granted

are prime facie, not prejudicial to the interest of the Company.

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets except in case of sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control system.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under
- vi. According to the information and explanations given to us, the Central Government of India has not prescribed the maintenances of cost records under Section 148(1) of the Companies Act, 2013 in respect of the operations of the Company during the year. Accordingly clause (vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales-tax / Value Added Tax, Service tax, Customs duty, Excise Duty, Cess, and other applicable statutory dues with the appropriate authorities except for following dues which are undisputed and outstanding for the period exceeding 6 months

Particulars	Amount (Rs).
Income Tax AY 2013-14	41,743,490
Income Tax AY 2014-15	15,382,910
Wealth Tax AY 2014-15	200,555
Dividend Distribution Tax AY 2012-13	10,236,842
Dividend Distribution Tax AY 2013-14	3,650,783
Dividend Distribution Tax AY 2014-15	1,529,550
Interest on Dividend Distribution Tax AY 2012-13	1,854,411
Interest on Dividend Distribution Tax AY 2013-14	235,250
Vat Payable	25,771

- (b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Custom Duty, Wealth Tax, Excise Duty, Value added tax or Cess which have not been deposited as on 31st March, 2015 on account of any dispute except the following

Name of the statute	Nature of dues	Amount Rs.	Period to which it relates	Forum where dispute is pending
Custom Act,1962	Penalty	11,000,000	2007-2008	Appellate Tribunal
Finance Act, 1994 (Service Tax Provisions)	Service Tax	15,494,737	2006-2011	High Court
Income Tax Act,1961	Income Tax	220,910	2007-2008	Income Tax Appellate Tribunal
Income Tax Act,1961	Income Tax	98,612,870	2008-2009	Commissioner of Income Tax – Appeals
Income Tax Act,1961	Income Tax	12,716,980	2009-2010	Commissioner of Income Tax – Appeals
Income Tax Act,1961	Income Tax	63,652,219	2007-2008	Commissioner of Income Tax – Appeals
Income Tax Act,1961	Income Tax	42,635,270	2011-2012	Commissioner of Income Tax – Appeals

- (c) There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.
- viii The Company has no accumulated losses as at the end of the year. However, it has incurred cash loss in the current financial year but it did not incur cash losses in the immediately preceding financial year.
- ix. The company has defaulted in payment of loans to banks as under. As per notice under section 13(2) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act dated 30.12.2014, 07.02.2015 and 03.03.2015 received from various bank.

BANK NAME	TOTAL AMOUNT DEFAULTED	DATE OF DEFAULT STARTED
Bank of Baroda	1,93,12,83,319.09	25/08/2014
Bank of India	1,49,53,64,938.93	30/06/2014
Canara Bank	47,86,13,419.98	23/07/2014
Central Bank of India	1,26,16,79,158.50	05/08/2014
Corporation Bank	1,01,75,18,507.37	31/12/2014
H.D.F.C Bank Ltd	27,52,74,428.34	18/06/2014
Indian Bank	39,36,34,704.00	06/02/2014
Punjab National Bank	69,79,43,405.71	31/03/2014
State Bank of Bikaner & Jaipur	41,33,81,224.13	12/10/2014
State Bank of India	55,61,07,944.00	08/10/2014
State Bank of Mysore	46,93,53,902.56	17/06/2014
State Bank of Patiala	36,62,86,324.20	21/06/2014
State Bank of Travancore	36,64,53,625.33	26/11/2014
Union Bank of India	1,43,92,57,047.89	26/11/2014
TOTAL	11,16,21,51,947.00	

The said defaults do not consider any levies of interest and penal interest charged by the banks / provided by the company after the date of the defaults or its subsequent reversals by some banks. Some of the Banks have not confirmed the balances outstanding to them even after writing to them.

The Company does not have any outstanding due from financial institutions and/or by way of debentures.

- x. As informed to us, the Company had given guarantees of Rs. 689,048,800/- for credit facilities availed by its overseas subsidiary namely, C Mahendra NV (Formerly known as C Mahendra BVBA) from bank. The overseas subsidiary has defaulted in its dues to bank and bank has issued demand notice calling for payment.
- xi. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- xii. The management has stated that no financial adjustment is required on various allegations among promoters, defamation notice received by the Managing Director of the Company. Subject to the this, during the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For R. H. Modi & Co.
Chartered Accountants
(Firm Reg. No. 106486W)

Sd/-
R. H. Modi
Proprietor
Membership No. : 037643

Place : Mumbai
Date : 26.08.2015

Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	730,677,800	725,000,000
(b) Reserves and surplus	3	4,189,905,835	5,401,728,751
(c) Money Received against share warrants	4	-	33,350,000
		<u>4,920,583,635</u>	<u>6,160,078,751</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	3,241,995	4,958,593
(b) Deferred tax liabilities (Net)	6	50,466,432	45,851,369
(d) Long-term provisions	7	2,454,774	7,106,256
		<u>56,163,201</u>	<u>57,916,218</u>
3 Current liabilities			
(a) Short-term borrowings	8	11,648,670,410	11,046,923,593
(b) Trade payables	9	3,678,411,608	6,020,417,856
(c) Other current liabilities	10	3,772,132	49,927,921
(d) Short-term provisions	11	78,192,121	87,869,796
		<u>15,409,046,271</u>	<u>17,205,139,166</u>
TOTAL		<u><u>20,385,793,107</u></u>	<u><u>23,423,134,135</u></u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	12	796,055,922	882,425,787
(ii) Intangible assets		698,157	1,163,596
(b) Non-current investments	13	1,400,887,020	1,398,086,871
(c) Long-term loans and advances	14	219,916,493	228,371,969
(d) Other non-current assets	15	8,893,088	44,240,132
		<u>2,426,450,680</u>	<u>2,554,288,355</u>
2 Current assets			
(a) Inventories	16	1,630,190,777	5,154,680,556
(b) Trade receivables	17	16,042,453,561	15,347,262,426
(c) Cash and cash equivalents	18	148,850,678	191,156,387
(d) Short-term loans and advances	19	135,917,682	175,228,233
(e) Other current assets	20	1,929,729	518,178
		<u>17,959,342,427</u>	<u>20,868,845,780</u>
TOTAL		<u><u>2,426,450,680</u></u>	<u><u>23,423,134,135</u></u>

Significant Accounting Policies
Notes on Financial Statements

(1 to 51)

As per our report of even date attached

For R. H. MODI & CO.
Chartered Accountants
(Firm Reg. No. 106486W)
Sd/-

R. H. MODI
PROPRIETOR
(Membership No.: 37643)

Place: Mumbai
Dated: 26/08/2015

For C. Mahendra Exports Ltd

Sd/-
Director

Sd/-
Director

Statement of Profit And Loss for the year ended 31st March, 2015

Particulars	Note No.	Current Year 2014-15 (₹)	Previous Year 2013-14 (₹)
I. Revenue from operations	21	5,835,095,143	20,241,338,870
II. Other income	22	<u>380,511,025</u>	<u>171,444,998</u>
III. Total Revenue (I+II)		6,215,606,168	20,412,783,868
IV. Expenses:			
Cost of materials consumed	23	2,414,234,484	12,312,619,334
Purchases of stock-in-trade - Polished diamonds		1,226,074,579	5,462,164,903
Changes in inventories of finished goods and stock-in-trade	24	2,849,343,980	611,458,098
Employee benefits expenses	25	41,302,613	116,408,101
Finance costs	26	732,448,751	804,884,804
Depreciation and amortization expenses	12	81,531,460	83,467,650
Other expenses	27	205,600,263	928,525,557
Total expenses		7,550,536,130	20,319,528,447
V. Profit before tax (III-IV)		(1,334,929,962)	93,255,421
VI. Tax expense:			
Current tax		-	(18,000,000)
MAT credit entitlement		-	18,000,000
Deferred tax		(4,615,063)	(16,614,077)
Prior period income tax adjustment		-	<u>(17,410,793)</u>
		(4,615,063)	(34,024,870)
VII. Profit for the year (V-VI)		<u>(1,339,545,025)</u>	<u>59,230,551</u>
VIII. Earnings per equity share:			
(1) Basic		(22.16)	0.84
(2) Diluted		(22.16)	0.84
Nominal value of equity shares		10.00	10.00

Significant Accounting Policies

Notes on Financial Statements

(1 to 51)

As per our report of even date attached

For R. H. MODI & CO.
Chartered Accountants
(Firm Reg. No. 106486W)
Sd/-

R. H. MODI
PROPRIETOR
(Membership No.: 37643)

Place: Mumbai
Dated: 26/08/2015

For C. Mahendra Exports Ltd

Sd/-
Director

Sd/-
Director

Cash Flow Statement for the year ended 31st March, 2015

Particulars	Current Year 2014-2015 (₹)	Previous Year 2013-2014 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(1,334,929,962)	93,255,421
Adjustments for:		
Depreciation and amortisation	81,531,460	83,467,650
Profit on Sale of Shares	-	(9,000,000)
Interest expenses	433,464,051	915,288,476
Share of loss/ (profit) from partnership firm C. Mahendra Trading	-	(27,563,948)
(Profit) / Loss on sale of fixed assets	(2,341,349)	(155,114)
Fixed assets written off	-	-
Unrealised exchange difference (net)	(454,258,498)	(745,340,313)
Interest income	(14,574,158)	(20,400,021)
Dividend income	-	-
Operating profit before working capital changes	(1,260,741,404)	289,552,152
Adjustments for change in working capital:		
(Increase) / Decrease in trade and other receivable	377,664,296	(1,870,163,529)
(Increase) / Decrease in inventories	3,524,489,779	526,327,633
Increase / (Decrease) in trade and other payable	(2,904,569,761)	1,211,229,222
Cash generated from / (used in) operations	(263,157,090)	156,945,478
Less: Miscellaneous expenditure paid	-	-
Less: Taxes paid	1,732,292	(10,199,353)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	Total (A) (264,889,382)	146,746,125
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including CWIP)	(1,957,977)	(22,700,526)
Proceeds from sale of fixed assets	4,670,473	2,928,281
Sale / (Purchase) of Investments	(2,800,149)	60,388,368
(Increase) / Decrease in investments in fixed deposits with banks	76,270,382	963,893
Interest received	14,894,899	20,373,654
Dividend received	-	-
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	Total (B) 91,077,628	61,953,670

Particulars	Current Year 2014-2015 (₹)	Previous Year 2013-2014 (₹)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (decrease) in borrowings (net)	498,632,073	641,104,205
Proceeds from Share Premium	127,722,111	2,624,049
Proceed from share capital	5,677,800	
Proceeds from issue of share warrent	(33,350,000)	-
Dividend Paid	(9,000,000)	(20,410,339)
Public issue expenses paid	-	-
Interest paid	(417,700,908)	(849,870,421)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	Total (C) (172,072,686)	(226,552,505)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C) (1,739,068)	(17,852,710)
Cash and cash equivalent at beginning of year	8,578,280	26,426,710
Unrealised exchange difference at year end	65,648	4,280
Cash and cash equivalent at end of year	(6,904,860)	8,578,280
Cash and cash equivalents of closing balance comprise of:		
Cash and bank balances	148,850,678	191,156,387
Unrealised exchange difference at year end	(2,773)	(65,648)
Bank deposits for more than 12 months maturity	-	35,700,972
Total cash and bank balances	148,847,905	226,791,711
Less: Fixed deposits with original maturities beyond three months	141,943,049	218,213,431
Cash and cash equivalent at end of year	6,904,856	8,578,280
	-	-
Significant Accounting Policies	(1 to 51)	
Notes on Financial Statements		

As per our report of even date attached

For R. H. MODI & CO.
Chartered Accountants
(Firm Reg. No. 106486W)
Sd/-

R. H. MODI
PROPRIETOR
(Membership No.: 37643)

Place: Mumbai
Dated: 26/08/2015

For C. Mahendra Exports Ltd

Sd/-
Director

Sd/-
Director

Notes to Financial Statements for the year ended 31st March, 2015

1. Significant accounting policies

a) Basis of preparation of financial statements

On the basis of management's assumption, it is expected that the company will have adequate cash flows from proceeds of export realisations to defray, in phased manner, its entire debt obligations. Company's operating results have been materially affected due to various factors including non availability of finance in view of the consortium bankers recalling the financial facilities granted, symbolic possession of premises have been taken by the Bankers. In near future Company is adopting to raise adequate finance from alternate means and/ or recoveries from overseas debtors to meet its short term and long term obligations as well as to establish consistent business operations. Hence, management is confident about the business and the financial statement has been prepared on Going Concern Basis.

b) System of accounting and Preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events

and actions, actual results could differ from these estimates. Appropriate changes in estimate are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

d) Fixed assets

Fixed assets are accounted at cost of acquisition / construction inclusive of freight, duties, taxes, incidental expenses and borrowing cost.

e) Depreciation

The Company has continued to charge depreciation on written down value method except plant and machinery relating to Windmill at the rates and in the manner specified in erst while schedule XIV of old Companies Act, 1956. Depreciation on Windmill is provided on straight line method as per old rates. Leasehold land is amortised over the lease period.

f) Investments

Investments intended to be held for more than one year are classified as long-term investments and other investments are classified as current investments. Long-term investments are valued at cost less provision, if any, for diminution in value, which is other than temporary. Current investments are valued at the lower of cost or market value of each separate investment.

g) Inventories

- i. Raw materials - Rough diamonds are valued at lower of cost or net realisable value. The cost is determined by weighted average method on lot wise basis. Rough diamond rejection is valued at estimated realisable value.
- ii. Finished goods -Polished diamonds are valued at net realisable value which is certified by the management.
- iii. Consumables are valued at lower of estimated cost or net realisable value.

h) Revenue recognition

- i. Revenue from exports sales is recognised when delivery of goods is physically given to customs authorities. Revenue from domestic sales is recognised when the title of goods

Notes to Financial Statements for the year ended 31st March, 2015

- passes to the customers, which is generally on delivery, except in case of consignment sale which is recognised when sale is confirmed.
- ii. (a) Income from sale of wind energy is recognised on its transmission as per terms of agreement.
 - (b) Income from Voluntary Emission Reduction (VER) unit is accounted at the time of sale through APX registry.
 - iii. Rental Income is booked on accrual basis as and when it is receivable.
 - iv. Other income including labour income are accounted on accrual basis in general.
- i) Foreign currency transactions**
- i. Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gain / loss arising on account of differences in foreign exchange rates on settlement / translation of monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.
 - ii. The premium or discount arising at the inception of forward exchange contract is amortised as expenses or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the reporting year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the year.
 - iii. Any profit or loss arising on settlement or cancellation of other derivative contracts (swaps and currency options) is recognised as income/expense for the year.
- j) Retirement benefits**
- i. Retirement benefits in the form of provident fund and pension scheme are accounted on accrual basis.
 - ii. Provision for gratuity liability is made on the basis of actuarial valuation at the end of the accounting year.
 - iii. Liability for encashment of leave is recognised and charged to the statement of profit and loss in the year in which it is earned on accrual basis.
- k) Borrowing cost**
- Borrowing cost directly attributable to acquisition or construction of fixed assets, which necessarily take substantial period of time to get ready for their intended use, are capitalised. Other borrowing costs are charged to statement of profit and loss.
- l) Taxation**
- Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably/virtually certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- m) Accounting for provisions and contingent liabilities**
- A provision is made when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or

Notes to Financial Statements for the year ended 31st March, 2015

present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

n) Earnings per share

The basic earnings per share (EPS) is computed by dividing the Net Profit after tax for the year available for the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. For the purpose of calculating diluted Earnings per Share, Net Profit after tax for the year available for Equity Shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

o) Impairment

The carrying amount of assets are reviewed at each balance sheet date to check if there is any, indication of impairment based on internal or external factors. An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. Impairment is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss if any, recognised in prior accounting year is reversed if there has been a change in the estimate of recoverable amount.

p) Forward Contracts in foreign currencies

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

Forward contracts are fair valued at each reporting date. The resultant gain or loss from these transactions is recognized in the Statement of Profit and Loss. The Company records the gain or loss on effective hedges, if any, in the foreign currency fluctuation reserve until the transactions are complete. On completion, the gain or loss is transferred to the Statement of Profit and Loss of that period. To designate a forward or options contract as an effective hedge, the Management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract and subsequently whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the Statement of Profit and Loss.

Notes to Financial Statements for the year ended 31st March, 2015

2 SHARE CAPITAL

Particulars	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Authorised		
62,500,000 Equity shares of Rs.10 each	625,000,000	625,000,000
12,500,000 6% Redeemable Preference shares of Rs.10 each	125,000,000	125,000,000
	750,000,000	750,000,000
Issued, subscribed and paid up		
60,567,780 (P Y 60,000,000) Equity shares of ₹10 each fully paid up (Out of the above 25,000,000 equity shares were issued to the Partners of erstwhile partnership firm M/s. C. Mahendra Exports on conversion under Part IX of The Companies Act, 1956) Of the above Paid-up Capital, Rs. 56.78 Lacs represents 567780 Equity Shares of ₹ 10/- each fully paidup, issued upon conversion of 1 Fully Convertible Warrant (FCW) into Equity Shares of ₹ 10/- each fully paid up at a premium of ₹ 224.95/- per share to the Bennett Coleman & Co. Limited, out of 1 Share warrants issued on 22.01.2013.	605,677,800	600,000,000
12,500,000 6% Redeemable Preference shares of ₹10 each fully paid up	125,000,000	125,000,000
Total	730,677,800	725,000,000

a) Details of reconciliation of the number of shares outstanding:

Particulars	As at 31/03/2015		As at 31/03/2014	
	Number	(₹)	Number	(₹)
Equity shares:				
Shares outstanding at the beginning of the year	60,000,000	600,000,000	60,000,000	600,000,000
issued during the year	567,780	5,677,800	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	60,567,780	605,677,800	60,000,000	600,000,000
6% Redeemable Preference shares:				
Shares outstanding at the beginning of the year	12,500,000	125,000,000	12,500,000	125,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,500,000	125,000,000	12,500,000	125,000,000

b) Terms / rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Financial Statements for the year ended 31st March, 2015

c) Terms / rights attached to 6% Redeemable Preference shares

During year ended 31 March 2010 the Company has issued 12,500,000 6% Redeemable Preference shares of ₹ 10 each at ₹ 100 each (including ₹ 90 premium). Each holder of 6% Redeemable Preference shares is entitled to one vote per share only on resolution place before the Company which directly affect the right attached to 6% Redeemable Preference shares.

6% Redeemable Preference shares shall be redeemable in 3 equal installments commencing from 7th, 8th and 9th year from the date of issue i.e. 27/03/2010.

d) **Details of shares in the company held by each shareholder holding more than 5 percent:**

Name of Shareholder	As at 31/03/2015		As at 31/03/2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares:				
Mahendra C. Shah	9,039,131	14.92%	9,039,131	15.07%
Kanu C. Shah	5,165,217	8.53%	5,165,217	8.61%
Champak K. Mehta	4,910,869	8.11%	4,910,869	8.18%
Pravin C. Shah	4,734,782	7.82%	4,304,348	7.17%
Pravin K. Mehta	4,059,783	6.70%	4,059,783	6.77%
Sandeep M. Shah	3,443,478	5.69%	3,443,478	5.74%
Suresh K. Mehta	3,216,522	5.31%	3,216,522	5.36%
Prakash K. Mehta	2,305,218	3.81%	4,335,652	7.23%
Paras C. Mehta	2,257,610	3.73%	3,257,610	5.43%
6% Redeemable Preference shares:				
Mahendra C. Shah	2,510,870	20.09%	2,510,870	20.09%
Champak K. Mehta	1,364,130	10.91%	1,364,130	10.91%
Pravin C. Shah	1,195,650	9.57%	1,195,650	9.57%
Prakash K. Mehta	1,204,350	9.63%	1,204,350	9.63%
Pravin K. Mehta	1,127,720	9.02%	1,127,720	9.02%
Kanu C. Shah	1,434,780	11.48%	1,434,780	11.48%
Suresh K. Mehta	893,480	7.15%	893,480	7.15%
Paras C. Mehta	904,890	7.24%	904,890	7.24%
Sandeep M. Shah	956,520	7.65%	956,520	7.65%
Samir P. Shah	657,610	5.26%	657,610	5.26%

Notes to Financial Statements for the year ended 31st March, 2015

3 RESERVES AND SURPLUS

Particulars	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Securities Premium Account		
Opening balance	3,483,372,404	3,483,372,404
Add: Premium received in respect of Equity Shares issued upon conversion of Warrants	<u>127,722,111</u>	-
Closing Balance	3,611,094,515	3,483,372,404
Balance in Statement of Profit and Loss		
Opening balance	1,918,356,346	1,869,655,346
Add: Net profit / (loss) for the year	(1,339,545,025)	59,230,551
Less: Proposed dividend on Preference shares	-	7,500,000
Less: Proposed dividend on Equity shares	-	1,500,000
Less: Dividend distribution tax	-	1,529,550
Closing Balance	<u>578,811,320</u>	<u>1,918,356,347</u>
Total	<u>4,189,905,835</u>	<u>5,401,728,750</u>
4 Money Received against Share Warrants		
Money Received against share warrants	-	[33,350,000]
Total	<u>-</u>	<u>33,350,000</u>

The Company had allotted 1 Fully Convertible Warrant (FCW) on 22.01.2013 to Bennett Coleman & Co. Limited, at a price of ` 13,34,00,000/-. An amount equivalent to 25% of the issue price had been paid at the time of allotment of FCW whereas balance 75% was payable at the time of conversion at any time within a period of 17 months from the date of allotment of FCW (i.e. on or before 21.06.2014). Bennett Coleman & Co. Limited, in respect of 1 FCW by paying up ` 10,00,00,000/- , being balance 75% of issue price, during FY 2014-15 and was allotted equivalent no. 5,67,780 equity shares of ` .10/- each fully paid on 17.06.2014. Accordingly, as at the end of the previous year, (i.e. on 31.03.2014), amount paid on allotment of 1 FCW had been retained as 'Money received against Share Warrants'. Upon conversion, during current accounting period, in respect of FCW by paying up ` 10,00,00,000, being balance 75% of issue price, the said Money received against share warrants' at the time of their allotment stood fully adjusted on 17.06.2014 on allotment of 5,67,780 equity shares fully paid-up.

Notes to Financial Statements for the year ended 31st March, 2015

5 LONG TERM BORROWINGS

Particulars	As at 31/03/2015		As at 31/03/2014	
	Non current	Current maturities (Refer note 10)	Non current	Current maturities (Refer note 10)
	(₹)	(₹)	(₹)	(₹)
Secured:				
Term loan on Vehicle:				
from others	3,241,995	1,784,160	4,905,679	2,713,471
Office Equipment loans:				
from others	-	68,513	52,914	81,913
Total	3,241,995	1,852,673	4,958,593	2,795,383

Term Loan on Vehicle from others:

Secured by hypothecation of vehicles.

Tranche 1

Repayable in 60 monthly installments of ₹ 148,680 (along with interest), starting from 04/07/2013 and it carries interest @ 10.36%.

Office Equipments loans from others:

Secured by hypothecation of Office Equipments.

Tranche 1

Repayable in 24 monthly installments of ₹ 2,999 (along with interest), starting from 05/01/2014 and it carries interest @ 15%.

Tranche 2

Repayable in 24 monthly installments of ₹ 2,999 (along with interest), starting from 05/02/2014 and it carries interest @ 15%.

6 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Deferred tax liabilities:		
Depreciation	51,376,989	48,490,972
Less: Deferred tax assets:		
Provision for gratuity	(910,558)	(2,639,603)
Total (a-b)	50,466,431	45,851,369

Deferred tax assets/liabilities (net) in respect of unit eligible to claim deduction under Section 80-IA / 10AA of the Income Tax Act, 1961, subject to fulfilments of conditions in this regard, was been recognised only to the extent the same will not reverse within the tax holiday period as determined by the management.

7 LONG TERM PROVISIONS

Particulars	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Provision for gratuity (unfunded)	2,454,774	7,106,256
Total	2,454,774	7,106,256

Notes to Financial Statements for the year ended 31st March, 2015

8 SHORT TERM BORROWINGS

Particulars	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Secured		
Working capital loans - from banks		
Foreign Currency Loans	1,934,322,352	4,895,330,425
Rupee Loans	8,674,556,323	5,651,930,184
Bank Temporary Overdraft	315,643,215	112,324,973
Letters of Credit Devolved	339,070,620	-
Total (a)	11,263,592,510	10,659,585,582
Unsecured:		
Loans and advances from related parties repayable on demand		
Interest free	375,310,998	360,809,520
Interest Bearing	9,041,902	26,084,491
Total (b)	384,352,900	386,894,011
Deposits Total (c)	725,000	444,000
Total (a+b+c)	11,648,670,410	11,046,923,593

Working capital loans from banks are secured by hypothecation of whole of the current assets (both present and future) (first pari passu) of the Company consisting of stocks, bills receivable, book debts, moveable plant and machinery and other moveables as well as the equitable mortgage of various properties including land and building standing in the name of the Company (both present and future), directors, relatives and associate companies and lien on fixed deposits with the bank and keyman insurance policies and deposits with Bharat Diamond Bourse and personal guarantee of directors, shareholders and their relatives.

Due to classification of our working capital limits as Non Performing Assets by Consortium Bank in consortium Bank, provision of interest has not been made

Loans and advances from related parties are repayable on demand and carries interest @ 2.25% to 9% p.a.

9 TRADE PAYABLES

Particulars	As at 31/03/2015 (Rs.)	As at 31/03/2014 (Rs.)
Trade payables	3,678,411,608	6,020,417,856
(After set off of Rs 2,098,685,947/- against receivable from same parties)		
Total	3,678,411,608	6,020,417,856

The Company has not received any information from its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence interest if any payable as required under Act has not been provided and the information required to be given in accordance with Section 22 of the said Act, is not ascertainable and hence, not disclosed. However there is no interest payment to Micro, Small and Medium enterprises during the year.

Notes to Financial Statements for the year ended 31st March, 2015

10 OTHER CURRENT LIABILITIES

Particulars

	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Current maturities of long-term debt:		
Term Loan on Vehicle	1,852,673	2,795,383
Interest accrued and due on borrowings	-	28,178,806
Employees payables	531,856	13,101,580
Payables for fixed assets	291,364	541,364
Statutory dues	1,096,239	2,057,356
Mark to market loss on currency swap	-	3,253,432
Total	3,772,132	49,927,921

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

11 SHORT TERM PROVISIONS

Provision for income tax (net of taxes paid)	60,333,594	60,333,594
Provision for gratuity (unfunded)	351,691	1,029,366
Proposed dividend on Preference shares	-	7,500,000
Proposed dividend on Equity shares	-	1,500,000
Provision for Dividend Distribution Tax	17,506,836	17,506,837
Total	78,192,121	87,869,796

Notes to Financial Statements for the year ended 31st March, 2015

Particulars	GROSS BLOCK (Refer note 4 of Schedule '15')				DEPRECIATION AND AMORTISATION (Refer note 4 of Schedule '15')						NET BLOCK			
	As at 01/04/2014 ₹	Additions ₹	Deductions ₹	Transfer Additions ₹	Transfer Deductions ₹	As at 31/03/2015 ₹	Upto 31/03/2014 ₹	For the year ₹	Deductions ₹	Transfer Additions ₹	Transfer Deductions ₹	Upto 31/03/2015 ₹	As at 31/03/2015 ₹	As at 31/03/2014 ₹
TANGIBLE ASSETS														
Land - freehold	20,964,601	-	-	-	-	20,964,601	-	-	-	-	-	-	20,964,601	20,964,601
Leasehold Land	13,690,000	-	-	-	-	13,690,000	84,501	-	-	-	-	640,793	13,049,207	13,133,708
Building	500,900,009	-	-	-	-	500,900,009	200,291,095	20,435,663	-	-	-	220,726,758	280,173,251	300,608,914
Plant and machinery	330,765,368	97,785	17,273,433	-	-	313,589,725	247,077,265	11,260,762	13,595,359	-	-	244,742,668	68,819,670	83,688,108
Office equipments	49,204,325	195,020	1,333,708	-	-	48,065,637	33,378,875	2,210,771	1,227,617	-	-	34,362,029	13,703,608	15,825,450
Windmills	625,092,137	-	-	-	-	625,092,137	230,933,599	33,004,866	-	-	-	263,938,465	361,153,672	394,158,538
Furniture and fittings	37,044,578	125,433	163,866	-	-	37,006,145	17,642,317	3,506,018	149,626	-	-	20,998,709	16,007,436	19,402,261
Computer	44,818,861	0	2,578,121.00	-	-	42,240,740	33,422,542	4,558,531	2,573,508.00	-	-	35,407,565	6,833,175	11,396,319
Vehicles #	57,110,044	1,289,739	18,014,319	4,900,000	4,900,000	40,385,464	23,862,150	6,004,909	17,244,641	2,439,126	2,439,126	25,061,544	15,323,920	20,808,768
TOTAL TANGIBLE ASSETS	1,679,589,923	1,707,977	39,363,447	4,900,000	4,900,000	1,641,934,453	797,164,135	81,066,021	32,351,625	2,439,126	2,439,126	845,878,351	796,055,922	882,425,788
INTANGIBLE ASSETS														
Computer softwares	4,615,472	-	-	-	-	4,615,472	3,451,876	465,439	-	-	-	3,917,315	698,157	1,163,596
TOTAL INTANGIBLE ASSETS	4,615,472	-	-	-	-	4,615,472	3,451,876	465,439	-	-	-	3,917,315	698,157	1,163,596
TOTAL ASSETS	1,684,205,395	1,707,977	39,363,447	4,900,000	4,900,000	1,646,549,930	803,055,137	81,558,847	34,790,751	2,439,126	2,439,126	849,823,233	796,726,697	881,150,263
Previous Year	1,662,869,688	31,391,092	10,055,386	-	-	1,684,205,394	724,430,580	83,467,650	7,282,219	-	-	800,616,011	883,589,383	938,439,108

Vehicles include few cars in the name of Key Managerial Person and Promoter Group.

Above deductions include Fixed Assets written off Rs 21,296,206/-

Notes to Financial Statements for the year ended 31st March, 2015

13 NON CURRENT INVESTMENTS

Particulars	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
(Trade, Unquoted, Long-term and At Cost):		
In Subsidiaries:		
112,800 (112,800) Equity Shares of ₹ 10 each fully paid up in C. Mahendra International Limited 245 (245) Equity Shares of EUR 186 each fully paid up in C. Mahendra NV	20,128,000	20,128,000
	616,896,799	616,896,799
200 (200) Equity Shares of AED 1000 each fully paid up of C. Mahendra DMCC	2,560,920	2,560,920
In Group-Subsidiaries :		
1,20,00,000 (1,20,00,000) equity shares of ₹ 10 each fully paid in Ciemme Jewels Limited	384,000,000	384,000,000
In partnership firm:		
C. Mahendra Trading (In the above firm company is having 98% share of profit / Loss)	377,301,301	374,501,152
Total	<u>1,400,887,020</u>	<u>1,398,086,871</u>

14 LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)		
Capital advances	1,000,000	1,000,000
Security deposits	43,049,985	51,505,461
MAT credit entitlement	175,866,508	175,866,508
	<u>219,916,493</u>	<u>228,371,969</u>

15 OTHER NON-CURRENT ASSETS

Fixed / margin money deposit accounts	-	35,700,972
Receivable from related party: C. Mahendra NV	8,893,088	8,539,160
Total	<u>8,893,088</u>	<u>44,240,132</u>

16 INVENTORIES

(As taken, valued and certified by the management)		
Raw materials:		
- Rough diamonds	688,791,427	1,363,937,226
- Gold	-	-
Finished goods / traded goods:		
- Polished diamonds	941,074,350	3,790,418,330
Consumables, stores and spares	325,000	325,000
Total	<u>1,630,190,777</u>	<u>5,154,680,556</u>

a) Mode of valuation:

- i. Raw materials - Rough diamonds are valued at lower of cost or net realisable value. The cost is determined by weighted average method on lot wise basis. Rough diamond rejection is valued at estimated realisable value.

Notes to Financial Statements for the year ended 31st March, 2015

- ii. Finished goods - Polished diamonds valuation is based on net realisable value and is not in line with generally accepted industry practice is a deviation from the method prescribed by Accounting Standard (AS) 2 'Valuation of Inventory'.
- iii. Consumables are valued at lower of estimated cost or net realisable value.

17 TRADE RECEIVABLES

(Unsecured, considered good)

Particulars

	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Outstanding for a period less than six months from the date they are due for payment	5,080,257,895	13,098,983,556
Others receivables (After set off of Rs 2,098,685,947/- against payable to same parties)	10,962,195,666	2,248,278,870
Total	16,042,453,561	15,347,262,426

Trade receivables includes amount due from companies in which director of the Company is director

C. Mahendra Exports (H.K.) Limited	572,271,315	590,592,551
C. Mahendra DMCC	8,833,127	8,481,503
K.P.M. Dimon LLC	427,934,176	529,144,736
	<u>1,009,038,618</u>	<u>1,128,218,790</u>

18 CASH AND BANK BALANCES

Balances with banks	5,899,845	7,892,428
Fixed / margin money deposit accounts (The above Fixed Deposits are under lien with banks]	141,943,049	182,512,459
Cash on hand	1,007,784	751,500
Total	148,850,678	191,156,387

19 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)

Loans to staff	2,126,478	2,933,590
<u>Loans and advances to related parties :</u>		
Ciemme Entertainment Private Limited	1,525,573	1,525,573
C. Mahendra Trading	652,404	652,404
Ashesha Trading Private Limited	-	36,200
All Right Trading Private Limited	-	27,690
Polo Developers Private Limited	-	27,720
Advances recoverable in cash or in kind or for value to be received	131,613,227	126,083,107
Interest on borrowings paid in advance	-	43,941,949
Total	135,917,682	175,228,233

20 OTHER CURRENT ASSETS

Interest accrued but not due on fixed deposits	30,678	410,752
Interest accrued on electricity deposits	166,759	107,426
TDS Receivable	1,732,292	-
Total	1,929,729	518,178

Notes to Financial Statements for the year ended 31st March, 2015

21 REVENUE FROM OPERATIONS

Particulars	Current Year 2014-15 (₹)	Previous Year 2013-14 (₹)
Sales of finished goods / traded goods		
- Polished diamonds	4,304,747,261	17,016,653,789
- Gold medallions	-	78,453
Sales of raw materials:		
- Rough diamonds	1,451,189,956	3,131,563,161
Other operating income		
Sale of electricity generated from windmills	79,157,926	93,043,467
Total	<u>5,835,095,143</u>	<u>20,241,338,870</u>

22 OTHER INCOME

Particulars	Current Year 2014-15 (₹)	Previous Year 2013-14 (₹)
Interest:		
- on fixed deposits with banks (Gross 14,393,110 TDS)	14,393,110	20,165,046
- on electricity deposit	181,048	234,975
Vat Refund	215,752	1,051,034
Share of Profit from partnership firm C. Mahendra Trading	-	27,563,948
Service tax Refund	-	6,012,169
Income Tax Refund of earlier years	6,822,127	-
Profit on sale of Shares	-	9,000,000
Foreign Exchange Gain	346,227,646	-
Insurance Claim Receivable	-	101,162,572
Profit on sale of fixed assets	4,507,626	331,006
Guarantee fee income	-	3,904,066
Labour Income (Gross 54,44,682 TDS 1,08,895)	5,444,682	-
Rent Income (Gross 2,718,485 TDS 90,600)	2,718,485	1,800,284
Miscellaneous income	549	219,898
Total	<u>380,511,025</u>	<u>171,444,998</u>

23 COST OF MATERIALS CONSUMED

Raw materials - Rough diamonds:

Opening stock	1,363,937,226	1,278,482,821
Add: Purchases	1,739,088,685	12,397,991,399
Less: Closing stock	688,791,427	1,363,937,226
Total (a)	<u>2,414,234,484</u>	<u>12,312,536,994</u>

Raw materials - Gold:

Opening stock	-	82,340
Add: Purchases	-	-
Less: Closing stock	-	-
Total (b)	-	82,340
Total (a+b)	<u>2,414,234,484</u>	<u>12,312,619,334</u>

Notes to Financial Statements for the year ended 31st March, 2015

Details of Imported and Indigenous raw materials consumed / sold

Particulars	Current Year 2014-2015 (₹)	Previous Year 2013-2014 (₹)
Imported - 8.50% (40.14%)	82,132,832	3,721,497,970
Indigenous - 91.50% (59.86%)	883,509,210	5,548,785,687
Total	965,642,042	9,270,283,657

Note: Raw Material Consumed/Sold has been Arrived on the basis of (opening Stock+Purchase - Cost of Sales & Cost of Manufacturing -Rejection Sales-Closing Stock)

24 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

Polished diamonds:		
Opening stock	3,790,418,330	4,401,876,428
Less: Closing stock	941,074,350	3,790,418,330
Total	2,849,343,980	611,458,098

25 EMPLOYEE BENEFITS EXPENSES

Salaries and wages	43,873,461	112,332,613
Contributions to provident and other funds	558,132	1,540,390
Excess Gratuity Written back	(5,167,619)	(1,539,089)
Staff welfare expenses	2,038,639	4,074,187
Total	41,302,613	116,408,101

26 FINANCE COSTS

Interest expense	433,464,051	915,288,476
Other borrowing costs	16,703,742	32,713,987
Net gain on foreign currency transactions and translation	282,280,958	(143,117,659)
Total	732,448,751	804,884,804

Notes to Financial Statements for the year ended 31st March, 2015

27 OTHER EXPENSES

Particulars	Current Year 2014-15 (₹)	Previous Year 2013-14 (₹)
Other manufacturing expenses	80,794,069	625,502,731
Consumables, stores and spares	2,188,127	15,615,291
Import freight, clearing and forwarding charges	676,221	1,389,845
Power and electricity	1,577,824	1,636,613
Postage and telephone expenses	2,082,592	2,998,758
Printing and stationery	601,028	1,090,726
Travelling and conveyance expenses	5,362,739	10,347,493
Loss on sale of fixed assets	-	175,892
Legal and professional fees	17,056,387	5,020,989
Bank charges and commission	26,584,570	58,508,019
Rent	598,785	735,000
Rates and taxes	3,814,298	3,611,046
Repairs and maintenance:		
- plant and machinery	18,063,214	17,974,034
- buildings	2,630	663,407
- others	2,198,344	3,039,470
Insurance charges	3,868,247	5,799,095
Auditor's remuneration:		
- for audit fees	1,033,712	1,168,094
- for tax audit fees	114,000	168,540
- for taxation matters	33,708	-
- for certification	95,506	147,192
Directors sitting fees	94,000	240,000
Donations	-	116,000
Sundry balance written off	25,682,264	-
Fixed Assets Written off	1,155,061	-
Membership and subscriptions	900,111	840,934
Security charges	392,898	558,994
Miscellaneous expenses	81,951	263,084
Exchange difference loss	-	71,516,476
Exports freight, clearing and forwarding charges	1,175,706	9,108,376
Diamond grading charges	1,364,560	58,636,941
Advertisement expenses	4,898,493	27,307,678
Brokerage and commission on sales	270,792	1,506,433
Business promotion expenses	2,838,422	2,838,406
Total	205,600,259	928,525,557

Notes to Financial Statements for the year ended 31st March, 2015

28. Disclosures in respect of defined benefit plans (gratuity - unfunded) as required under (AS)-15 "Employee Benefits are as under:

Particulars	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Principal assumption used in determining gratuity:		
Discount rate at the beginning of the year	8%	8.5%
Expected rate of increase in compensation level	8%	8%
Current service cost	336,025	1,446,593
Benefit paid	(161,538)	----
Present value of obligation at end of year	2,806,465	8,135,622
Change in the present value of the benefit obligations:		
Projected benefit obligations, as at beginning of the year	8,135,622	9,674,711
Service cost	336,025	1,446,593
Interest cost	732,206	822,350
Actuarial (gain) / loss on obligation	(6,235,850)	(3,808,032)
Benefit paid	(161,538)	----
Projected benefit obligation end of the year	2,806,465	8,135,622
Amount recognised in balance sheet:		
Present value of obligation at the beginning year	2,806,465	8,135,622
Present value of assets	---	---
Liability recognised in balance sheet	2,806,465	8,135,622
Expenses recognised in statement of profit and loss:		
Current service cost	336,025	1,446,593
Interest cost	732,206	822,350
Expected return on plan assets	---	---
Net actuarial gain	(6,235,850)	(3,808,032)
Net periodic cost	(5,167,619)	(1,539,089)
Movement in net liability recognised in balance sheet:		
Opening net liability	8,135,622	9,674,711
Expenses as above	(5,167,619)	(1,539,089)
Contribution paid	(161,538)	---
Closing net liability	2,806,465	8,135,622

29. Segmental reporting

The Company has only one business segment viz. Gems and Jewellery, which is being considered as the primary segment.

The financial information about business segment is not applicable since segment results / revenue / assets of the wind mill business are not more than 10 percent of the combined business results / revenue / assets.

Notes to Financial Statements for the year ended 31st March, 2015

The information regarding the secondary segment, i.e. 'geographical segments' is given below:

Sr. No.	Particulars	Geographical segments		
		Outside India (₹)	Within India (₹)	Total (₹)
1.	Segment revenue			
	Sales and income from operations	2,447,856,589 (14,879,046,457)	3,387,238,554 (5,362,292,413)	5,835,095,143 (20,241,338,870)
2.	Carrying amount of assets by geographical location of assets			
	Segment assets	16,864,215,086 (14,434,811,001)	3,521,550,638 (8,812,456,626)	20,385,765,724 (23,247,267,627)
3.	Additions to fixed assets and intangible assets	-- (--)	17,07,977 (31,391,092)	17,07,977 (31,391,092)

Notes:

- Secondary segments identified are as per the requirements of Accounting Standard (AS) -17 'Segment Reporting', taking into account the organisation structure as well as the differing risks and returns.
- The segment revenue and total assets includes the revenue and assets respectively, which are identifiable with each segment and amounts allocated to the segments on a reasonable basis.

30. Related party disclosures

i. Related party relationships:

a) Subsidiaries (where control exist)	:	C. Mahendra International Limited – India C. Mahendra NV (Formerly known as C Mahendra BVBA) - Belgium Ciemme Jewels Limited - India C. Mahendra Exports (H.K.) Ltd. - Hongkong C. Mahendra (USA) Inc. - USA International Gems & Jewellery FZE - UAE Al Daspa Gems & Jewellery FZE - UAE C. Mahendra DMCC - UAE C. Mahendra Trading - India C. Mahendra International Limited – Mauritius Ciemme Entertainment Pvt.Ltd – India
b) Key Management Personnel	:	Mahendra C Shah (Chairman and Executive Director) Champak K Mehta (Managing Director) Sandeep M Shah (Upto 29/12/2014, Executive Director) Babulal V Virvadia (Chief Financial Officer) Swapnil Dafle (Company Secretary)

Notes to Financial Statements for the year ended 31st March, 2015

c) Relative of key management personnel	Moghiben C. Shah Dipika C. Mehta Rasilaben M. Shah Vikram M. Shah Sandeep M. Shah Hansa P. Mehta Hemali J. Shah Nayna P. Mehta Jignesh M. Shah Kanu C. Shah Prakash K. Mehta Suresh K. Mehta Paras C. Mehta Alka K. Shah Krupa S. Shah Kevin P. Mehta Sadhana S.Mehta Pravin K. Mehta Pravin C. Shah Ramila P. Shah Samir S. Shah Suken Shah Suresh K. Mehta Sweety P. Shah Vipul B. Virvadia Bhavin B. Virvadia
d) Enterprises in which key management personnel have significant influence	C. Mahendra Commodities Private Limited C. Mahendra Capital Ltd. Champak K. Mehta (HUF) Mahendra C. Shah (HUF) Infojewels (India) Private Limited Polo Developers Private Limited Ashesha Trading Private Limited CM Infojewels Private Limited
e) Enterprises in which relative of key management personnel have significant influence	C. K. Shah (HUF) Kanu C. Shah (HUF) Pravin C. Shah (HUF) Allright Trading Private Limited KPM Dimon LLC

Notes to Financial Statements for the year ended 31st March, 2015

Transactions with related parties:

a) Details of related party transactions are as follows:

(Amount in ₹)

Particulars	Related Parties					Total
	Subsidiaries	Key management personnel	Relative of key management personnel	Enterprises in which Key management personnel have significant influence	Enterprises in which relative of Key management Personnel have significant influence	
Sale of polished diamonds	203,065,438 (1,190,096,720)	-- (--)	-- (--)	-- (--)	2,580,738 (2,261,000,259)	205,646,176 (1,416,053,723)
Sale of rough diamond	38,049,112 (588,625,899)	-- (--)	-- (--)	-- (--)	-- (--)	38,049,112 (588,625,899)
Purchases of polished diamonds	81,185,840 (280,672,029)	-- (--)	-- (--)	-- (--)	-- (--)	81,185,840 (280,672,029)
Purchases of rough diamonds	338,628,572 (2,101,827,535)	-- (--)	-- (--)	-- (--)	-- (--)	338,628,572 (2,101,827,535)
Rent expense	-- (--)	-- (--)	-- (--)	360,000 (480,000)	180,000 (240,000)	540,000 (720,000)
Interest expenses	-- (--)	-- (--)	489,345 (987,780)	-- (5,072)	-- (5,083)	4,89,345 (997,935)
Reimbursement of expenses received	-- (2,125,455)	-- (--)	-- (--)	-- (58,090)	-- (27,280)	117,060 (2,210,825)
Guarantee fee income	(3,280,427)	-- (--)	-- (--)	-- (--)	-- (--)	-- (3,280,427)
Investment in Sub-subsidiary	-- --	-- (--)	-- (--)	-- (--)	-- (--)	-- --
Sale of Investment in Sub-Subsidiary	-- --	-- (--)	-- (--)	-- (--)	-- (--)	-- --
Salary, bonus and allowance	-- (--)	5,817,704 (11,160,000)	8,494,484 (18,900,000)	-- (--)	-- (--)	14,312,188 (30,060,000)
Loans taken	-- (--)	147,172,497 (21,008,340)	220,969,39 (9,416,481)	227,676,50 (1,900,000)	-- (--)	191,769,936 (32,324,821)
Loans repaid	-- (--)	133,871,528 (26,493,277)	30,399,187 (50,887,478)	226,760,40 (1,961,427)	-- (61,562)	205,663,291 (79,403,744)
Loans given	3,587,582 (1,650,000)	-- (--)	-- (--)	-- (--)	-- (--)	3,587,582 (1,650,000)
Loans received back	3,587,582 (5,791,953)	-- (--)	-- (--)	-- (--)	-- (--)	3,587,582 (5,791,953)
Investment in Partnership firm	29,10,000 (2,611,632)	-- (--)	-- (--)	-- (--)	-- (--)	29,10,000 (2,611,632)
Share of profit / Loss from partnership firm	-- (27,563,948)	-- (--)	-- (--)	-- (--)	-- (--)	-- (27,563,948)

Notes to Financial Statements for the year ended 31st March, 2015

Particulars	Related Parties					Total
	Subsidiaries	Key management personnel	Relative of key management personnel	Enterprises in which Key management personnel have significant influence	Enterprises in which relative of Key management Personnel have significant influence	
Sale of Fixed Assets	-- (--)	-- (--)	500,000 (--)	-- (--)	-- (--)	500,000 (--)
Balance receivable	591,638,881 (609,791,191)	-- (--)	96,03,000 (--)	-- (68,690)	428,276,088 (696,975,794)	1,019,914,969 (1,345,306,044)
Balance payable	103,033,535 (179,001,019)	97,171,352 (82,780,476)	299,247,250 (307,320,408)	-- (--)	---	489,849,437 (569,101,904)

Note: Figures in the bracket are in respect of previous year.

- b) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type during the year is as under:

Particulars	Current Year 2014-2015 (₹)	Previous Year 2013-2014 (₹)
Sale of polished diamonds		
C. Mahendra Exports (H.K.) Ltd.	108,061,153	1,026,371,780
KPM Dimon LLC	2,580,738	226,000,059
C.Mahendra NV	95,004,285	---
Sale of rough diamonds		
C. Mahendra NV	38,049,112	306,867,014
C. Mahendra DMCC	---	281,758,885
C. Mahendra Exports (H.K.) Ltd.	25,757,988	280,672,029
C. Mahendra NV	12,847,752	--
C.Mahendra International Ltd	42,580,100	--
Purchases of rough diamonds		
C. Mahendra NV	338,628,572	1,529,514,918
C. Mahendra DMCC	--	326,327,158
C. Mahendra Exports (H.K.) Ltd.	--	245,985,459
Lease rent paid		
All Right Trading Pvt. Ltd.	180,000	240,000
Ashesha Trading Pvt. Ltd.	180,000	240,000
Polo Developers Pvt. Ltd.	180,000	240,000
Interest paid		
Alka K. Shah	137,442	307,456
Hemali J. Shah	242,450	224,283
Guarantee fees income		
Nayana D. Mehta	62,025	334,308
C. Mahendra NV	--	3,280,427
Reimbursement of expenses received		
Ciemme Jewels Ltd.	--	547,500
Ciemme Entertainment Pvt Ltd	--	1,518,473

Notes to Financial Statements for the year ended 31st March, 2015

Particulars	Current Year 2014-2015 (₹)	Previous Year 2013-2014 (₹)
Salary, bonus and allowances		
Champak K. Mehta	1,750,000	4,200,000
Mahendra C. Shah	1,800,000	4,320,000
Kanu C. Shah	1,800,000	4,320,000
Suresh K. Mehta	1,500,000	3,240,000
Pravin C. Shah	1,500,000	3,450,000
Pravin K. Mehta	---	3,780,000
Loans taken		
Champak K. Mehta	11,607,726	7,528,004
Mahendra C. Shah	133,381,371	13,476,142
Pravin K Mehta	--	6,304,456
C.Mahendra Capital ltd	22,500,500	--
Loan repaid		
Mahendra C. Shah	132,787,528	18,879,888
Pravin C. Shah	--	11,680,360
Pravin K. Mehta	--	8,297,533
Kanu C Shah	--	9,470,826
Prakash K Mehta	--	15,466,212
C.Mahendra Capital Ltd	22,500,500	--
Loans given		
C. Mahendra International Ltd	307,366	1,510,000
Ciemme Jewels Ltd	3,280,216	--
Loans received back		
C. Mahendra International Ltd	307,366	1,520,000
Ciemme Jewels Ltd.	3,280,216	4,271,953
Investment in partnership firm		
C. Mahendra Trading	2,910,000	2,611,632
Share of profit/ (loss) from partnership firm		
C. Mahendra Trading	--	27,563,948
Sale of Fixed Assets		
Sadhana S Mehta	500,000	---
Balance receivable		
C. Mahendra Exports (H.K.) Ltd.	572,040,361	590,592,551
KPM Dimon LLC	428,276,088	596,501,038
Balance Payable		
Prakash K. Mehta	181,024,593	196,111,983
Champak K Mehta	74,647,013	60,668,623
C. Mahendra NV	60,453,435	179,001,019
C. Mahendra Export (H.K.) Ltd.	--	--
C. Mahendra DMCC	--	--
Prakash K Mehta	--	--

Notes to Financial Statements for the year ended 31st March, 2015

The Company has given corporate guarantee to the bank towards working capital facilities sanctioned to subsidiary Company C. Mahendra NV [(outstanding as at 31/03/2015 ₹ 689,048,800) and (as at 31/03/2014 ₹ 721,797,600)].

31. The Company had entered into agreement for using office premises on rent which are in nature of operating lease. As per Accounting Standard (AS)-19 'Leases', the disclosures in respect of non - cancellable leases are given below:

The future minimum lease payment as per above lease agreement is as follows:

Future minimum lease payments payable	As at 31/03/2015 ₹	As at 31/03/2014 ₹
i. Not later than one year	---	720,000
ii. Later than one year and not later than five years	---	---
iii. Later than five years	---	---

The amount of minimum lease payments with respect to the above lease recognised in the profit and loss account for the year is ₹ 598,785/- (previous year ₹ 735,000/-).

32. Earnings per share

Particulars	Current Year 2014-2015 (₹)	Previous Year 2013-2014 (₹)
Net profit after tax as per statement of profit and loss (₹)	(1,339,545,025)	59,230,551
Less: Dividend on preference shares (₹)	---	8,774,625
Amount available for equity shareholders (₹)	---	50,455,926
Weighted average number of equity shares outstanding during the year (including bonus shares) (Nos.)	60,446,446	60,000,000
Basic and Diluted earnings per share (₹)	(22.16)	0.84
Nominal value of share (₹)	10.00	10.00

33. Deferred Taxes:

- a) The Company has accounted for deferred taxation in accordance with the Accounting Standards 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Particulars	Current Year 2014-2015 (Rs.)	Previous Year 2013-2014 (Rs.)
Net profit after tax as per statement of profit and loss (Rs.)	(1,339,545,025)	59,230,551
Less: Dividend on preference shares (Rs.)	---	8,774,625
Amount available for equity shareholders (Rs.)	---	50,455,926
Weighted average number of equity shares outstanding during the year (including bonus shares) (Nos.)	60,446,446	60,000,000
Basic and Diluted earnings per share (Rs.)	(22.16)	0.84
Nominal value of share (Rs.)	10.00	10.00

Notes to Financial Statements for the year ended 31st March, 2015

- b) Since there is no virtual / reasonable certainty of taxable income in future against which deferred tax assets can be realized. In event of loss, the Company has not recognized deferred tax assets (net) on account of current year loss.

34. Contingent liabilities and Commitments

Particulars	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Contingent liabilities (not provided for):		
Guarantee given to banks in respect of credit facilities sanctioned to a subsidiary company (USD 11,000,000; as at 31/03/2014 USD 12,000,000)	689,048,800	721,797,600
Bond executed in favour of The President of India towards manufacture of goods for exports	441,740,000	441,740,000
Bond executed in favour of The President of India towards provisional release of seized goods	30,622,000	30,622,000
Bank guarantee in favour of President of India towards Bonded Warehouse	2,600,000	2,600,000
Disputed penalty under Customs Act	11,000,000	11,000,000
Disputed service tax liabilities	20,174,407	20,174,407
Disputed income tax liabilities	259,581,739	111,997,722
Unpaid Lease rent payment	1,80,000	---

The Company has received notice U/s 147 of the Income tax Act, 1961 for reopening of AY 2007-08, 2008-09, 2009-10 & AY 2010-11 for alleged bogus purchase. The assessment proceeding are yet to be commenced.

35. Derivative instruments

- i. Foreign currency exposures as at year end not hedged are as follows:

Particulars	As at 31/03/2015		As at 31/03/2014	
	USD	Equivalent * (₹)	USD	Equivalent * (₹)
Trade receivable	259,395,971	16,235,801,338	256,176,068	15,396,130,472
Bank balances	1,006	62,940	11,341	681,584
Borrowings	31,771,787	1,990,210,185	85,833,760	5,162,883,505
Trade payable	90,437,251	5,665,510,672	113,492,662	6,826,560,906
Acceptances	---	---	3,539,552	212,903,330
Advance to suppliers	18,365	1,149,480	18,365	1,104,651
Income receivable	142,083	88,93,089	142,083	8,539,160

*as at year end rate

- ii. Derivative instruments – currency swap outstanding as at year end are as follows:

Currency	Type	Foreign currency	As at 31/03/2015 Amount	As at 31/03/2014 Amount
EUR/USD	Sell	EURO	---	20,000,000
EUR/USD	Buy	EURO	---	---
USD/JPY	Sell	USD	---	4,000,000

- iii. Forward contract outstanding as at year end in respect of exports USD NIL (as at 31/03/2014 USD 4,938,030).

Notes to Financial Statements for the year ended 31st March, 2015

36. C.I.F. value of imports

Particulars	Current Year 2014-2015 (₹)	Previous Year 2013-2014 (₹)
Finished goods:		
Polished diamonds	387,40,481	5,825,817,927
Raw materials:		
Rough diamonds	8,083,57,398	5,184,298,279
Consumables, stores and spares	1,986,241	13,915,918

37. Expenditure in foreign currency (on accrual basis)

Particulars	Current Year 2014-2015 (₹)	Previous Year 2013-2014 (₹)
Foreign travelling expenses/Business Promotion	939,190	1,922,650

38. Earning in foreign currency (on accrual basis)

Particulars	Current Year 2014-2015 (Rs.)	Previous Year 2013-2014 (Rs.)
F.O.B. value of exports	2,425,849,000	14,875,478,675
Other income	---	3,904,066

39. The arrears of dividend on 12,500,000 no of preference shares of ₹ 10 each as on 31st March, 2015 is ₹ 7,500,000/- (PY Nil).

40. Auditor's Remuneration

Particulars	Current Year 2014-2015 (₹)	Previous Year 2013-2014 (₹)
Statutory Audit Fees	1,033,712	1,168,094
Tax Audit Fees	114,000	168,540
Taxation Matters	33,708	---
Others	95,506	147,192

41. Disclosures pursuant to Clause 32 of the Equity Listing Agreement and Section 186 of the Companies Act, 2013 :

a) Loans given

Name of Party	2014	Given	Receipt	2015
Ciemme Entertainment Private Limited	1,525,573	---	---	1,525,573
C. Mahendra Trading	652,404	---	---	652,404
Ashesha Trading Private Limited	36,200	58,480	94,680	---
All Right Trading Private Limited	27,690	58,480	86,170	---
Polo Developers Private Limited	27,720	58,580	86,300	---
Nasir N. Sarkar	---	3,000,000		3,000,000

The above loans have been given for general business purpose.

Notes to Financial Statements for the year ended 31st March, 2015

b) Guarantee Given

Name of Party	2014	Given	Receipt	2015
C Mahendra NV	721,797,600	---	---	689,048,800

42.

- a) The Consortium of the bankers which had granted various working and export facilities have withdrawn these facilities and have called upon the Company to repay their outstanding, to the promoters, guarantors and also to the companies who have provided corporate guarantees.. Further the banks have issued notice of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002.
- b) Most banks had not provided bank confirmations (including working capital facility and overdraft) since the accounts are freezed by the consortium of banks as a result facility has been ceased to be operational.
- c) The Company has provided for interest upto the period where it has been charged by the banks. No interest is provided by the Company amounting to Rs. 915,371,518 where the banks has not intimated to the Company.
- d) After the balance sheet date symbolic possession has been taken of most office premises of the company.

43.

- a) Trade receivables amounting to Rs. 11,949,340,981 and Loans and advances receivable amounting to Rs. 87,185,015 are outstanding for more than one year.
- b) The account of Trade Receivables, Loans and Advances and Trade Payables are however, subject to formal confirmations/reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current period's financial statements on such reconciliation/adjustments.
- c) During the year the company had send notices to its overseas customers. No response is received from the overseas customers but the company is hopeful of the recovery.
- d) Amounts receivable and payable from same party are netted off for presentation in the financial statements.

44. During the year, share of loss from Investment in partnership firm - M/s C Mahendra Trading is not considered.

45. In view of loss incurred no provision is made for Dividend on 12,500,000 no of 6% Redeemable Preference shares of Rs. 10 each as on 31st March, 2015 which amounts to Rs. 7,500,000/- (PY Nil).

46. The Company Secretary and Chief Financial Officer have resigned on 01/04/2015. In the absence of the Company Secretary and Chief Financial Officer, these financial statements have not been authenticated by Company Secretary and Chief Financial Officer under Section 203 of Companies Act, 2013.

47. Pursuant to the Companies Act, 2013 ("the Act") coming in to effect from April 1, 2014, the Company has not realigned the remaining useful life of its fixed assets in accordance with the provision prescribed under Schedule II to the Act.. However the depreciation has continued to provide depreciation on written down value method except plant and machinery relating to Windmill at the rates and in the manner specified in erst while Schedule XIV of old Companies Act, 1956. Depreciation on Windmill is provided on straight line method. Leasehold land is amortised over the lease period. Due to above the impact in financial statement could not be ascertained.

48. There were disputes among promoters. The management is of the opinion that no adjustment is required to be made on account of the disputes.

49. Sundry balance written off includes Rs. 25,682,264/- being reversal of part amount of insurance claim receivable provided in earlier years. As the Hon'ble Bombay High Court order has been contested by the Insurance Company

50.

- a) Small scale undertakings to whom the company owes a sum which is outstanding for more than 30 days at the Balance Sheet is not available. In view of this, information required to be furnished is not given.
- b) Suppliers/ Service providers covered under Micro, Small Medium Enterprises Development Act 2006 have not

AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/
associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in million)

1	Sr. No.	1	2	3
2	Name of the subsidiary	C Mahendra International Limited	C Mahendra BVBA	C Mahendra DMCC
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	3/31/2015	3/31/2015	3/31/2015
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rs.	USD & 62.5908	AED & 17.0218
5	Share Capital	1.13	1017.96	3.40
6	Reserves & surplus	281.26	13.34	63.76
7	Total Assets	823.76	2051.87	749.78
8	Total liability	823.76	2051.87	749.78
9	Investment	614.66	0.00	0.00
10	Turnover	182.15	4561.23	1013.77
11	Profit before Taxation	0.32	-430.47	-70.71
12	Provision for Taxation	0.10	0.00	0.00
13	Profit after Taxation	0.21	0.00	0.00
14	Proposed Dividend	0.00	0.00	0.00
15	% of Holding	100	77	100

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of subsidiaries which have been liquidated or sold during the year. : NIL

Part "B": Associates and Joint Ventures							
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures							
Name of Associate Companies and Joint Ventures	C Mahendra Capital Ltd.	KPM Realty Pvt. Ltd.	C M Infojewels Pvt. Ltd.	Ashesha Trading Pvt. Ltd.	Polo Developers Pvt. Ltd.	Alright Trading Pvt Ltd.	C. Mahendra Commodities Pvt. Ltd.
1. Latest audited Balance Sheet Date	31/03/2014	31/03/2014	31/03/2014	31/03/2014	31/03/2014	31/03/2014	31/03/2014
2. Shares of Associate/ Joint Ventures held by the company on the year end No.: Amount of Investment in Associates/Joint Ventur: Extend of Holding %:	NA	NA	NA	NA	NA	NA	NA
3. Description of how there is significant influence	Common Director						
4. Reason why the associate/ joint venture is not consolidated	As there is no Share Holding in the associate Companies						
5. Networth attributable to Shareholding as per latest audited Balance Sheet	310959831	14405597	15538	1851525	1843563	1854430	147540
6. Profit / Loss for the year	5369696	605646	5086	181044	181301	181044	74144
i. Considered in Consolidation	NA	NA	NA	NA	NA	NA	NA
ii. Not Considered in Consolidation	5369696	605646	5086	181044	181301	181044	74144
1. Names of associates or joint ventures which are yet to commence operations. : NIL							
2. Names of associates or joint ventures which have been liquidated or sold during the year. : NIL							
Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.							



**C. MAHENDRA
EXPORTS LTD.**

Registered & Admin Office: Tower 'C' Office No: CC-6011, Bharat Diamond Bourse,
Bandra Kurla Complex, Bandra (East), Mumbai – 400051

CIN: L27205MH2007PLC166717

Tel: +91-22-2672 5555; **Fax:** +91-22-2675 4560; **Email:** bkc@cmahendra.com; Website: www.cmahendra.com

Form No MGT - 12

POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Sr. No.:

1. Name and Registered address of the Sole/First Named Shareholder:
2. Name of Joint Holders If any (in block letters):
3. Folio No./DP ID no*/Client ID No. :
4. Number of shares held:

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolution in the following manner:

Description	No. of shares	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
Item No. 1 of the Notice Adoption of Financial Accounts for the Financial Year ended March 31, 2015			
Item No. 2 of the Notice Appointment of R H Modi & Associates, Chartered Accountants as Statutory Auditors			
Item No. 3 of the Notice Appointment of Ms Bindya S. Vasani as an Independent Director			
Item No. 4 of the Notice Appointment of Mr. Diwakar R. Singh as an Non-executive Director			
Item No. 5 of the Notice Approval of Related Party Transactions under section 188 of the Companies Act, 2013			

Place:

Date:

Signature of the Shareholder

Instructions for Members for casting vote through Ballot:

1. In terms of clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, this Ballot Form is being provided.

A member desiring to exercise vote by Ballot shall complete this Ballot Form with assent (for) or dissent (against) and send it to CS. Arun Dash, Scrutinizer, C/o Link Intime India Private Limited, Unit: Oberoi Reality Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, Tel. No: 022-25946970, Fax No: 022-25946969, E-mail: mt_helpdesk@linkintime.co.in so as to reach him on or before Friday, 25th September, 2015 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

2. In case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
3. Members, who have neither voted electronically nor through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.



C. MAHENDRA EXPORTS LTD.

Registered & Admin Office: Tower 'C' Office No: CC-6011, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

CIN: L27205MH2007PLC166717

Tel: +91-22-2672 5555; **Fax:** +91-22-2675 4560; **Email:** bkc@cmahendra.com; Website: www.cmahendra.com

ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the Meeting Hall)

Ninth Annual General Meeting on Saturday, 26th day of September, 2015 at 3.00 PM, at 71, M.I.D.C, Cross Road-'C', Opp. Seepz Gate No. 2, Andheri (E), Mumbai – 400 093.

Folio No/Client ID & DP Id:

- A member/proxy wishing to attend the Meeting must complete this Attendance Slip before coming to the Meeting and hand it over at the entrance.
- I If you intend to appoint a proxy, please complete the Proxy Form and deposit it at the Company.s Registered Office, at least 48 hours before the Meeting.
- I Please bring your copy of the Annual Report to the Meeting.

I record my presence at the Eighth Annual General Meeting

Name of Proxy in BLOCK LETTERS
(If the Proxy attends instead of the Member)

Signature of Member/Proxy

-----CUT HERE-----



C. MAHENDRA EXPORTS LTD.

Registered & Admin Office: Tower 'C' Office No: CC-6011, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

CIN: L27205MH2007PLC166717

Tel: +91-22-2672 5555; **Fax:** +91-22-2675 4560; **Email:** bkc@cmahendra.com; Website: www.cmahendra.com

FORM NO.MGT-11

PROXY FORM

Name of the member(s)		e-mail Id:	
Registered Address		Folio No./*Client ID	
		*DP ID	

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

1) _____ of _____ having e-mail id _____ or failing him

2) _____ of _____ having e-mail id _____ or failing him

3) _____ of _____ having e-mail id _____

.....
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Nineth Annual general meeting of the company, to be held on Saturday, 26th day of September, 2015 At 3.00 PM, at 71, M.I.D.C, Cross Road-'C', Opp. Seepz Gate No. 2, Andheri (E), Mumbai – 400 093 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 To consider and adopt the Audited Balance Sheet as at March 31, 2015
- 2 Re-appointment of M/s R. H. Modi & Co., Chartered Accountant as the Statutory Auditor.
- 3 Appointment of Ms Bindya S. Vasani as a Non-executive Independent Director
- 4 Appointment of Mr. Diwakar R. Singh as a Non-executive Independent Director
- 5 Approval of Related Party Transactions under section 188 of the Companies Act, 2013

Signed this.....day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)

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



C. MAHENDRA EXPORTS LTD.



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www.emelgroup.com

