

N I N E T H A N N U A L R E P O R T 1 9 9 8 - 9 9



SUNRAJ DIAMOND EXPORTS LTD.

SUNRAJ DIAMOND EXPORTS LTD.

DIRECTORS

MR. C. D. GANDHI
Chairman & Managing Director

MR. S. C. GANDHI

MR. R. N. JOSHI

MR. S. H. KOHLI

MRS. G. C. GANDHI

BANKERS

STATE BANK OF INDIA

BANK OF BARODA

BANK OF INDIA

AUDITORS

M/S. BHUPENDRA SHROFF & CO.
Chartered Accountants

REGISTERED OFFICE

301, RUPRAJ BUILDING,
497, S.V.P. ROAD,
MUMMBAI - 400 004.

REGISTRARS & SHARE TRANSFER AGENTS

M/S. CHOKSH SECURITIES COMPANY LIMITED
35, Ajanta House,
Marol Co-op. Indl. Estate,
Andheri-Kurla Road,
Sakinaka, Andheri (East),
MUMBAI - 400 059.

Annual Report 1998-99**NOTICE**

NOTICE is hereby given that the Ninth Annual General Meeting of the shareholders of **Sunraj Diamond Exports Limited** will be held at Kshatriya Dnyali Sabha Gruha, 229-D Raja Ram Mohan Roy Marg, Girgaum, Mumbai 400 004 on Thursday 30th September, 1999 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors' and Auditors.
2. To appoint a Director in place of Mrs. G.C.Gandhi, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198,269,309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Company hereby accords its approval for the re-appointment of Mr. C.D.Gandhi as Managing Director of the Company with effect from 17th February, 1999 for a period of five years on the terms and conditions set out in the agreement to be entered into between the Company and Mr. C.D. Gandhi, a draft whereof is placed before the Meeting and is initialed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the draft agreement shall nevertheless be paid and allowed to Mr. C.D.Gandhi as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956 from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution."

For and on behalf of the Board of Directors

S. C. Gandhi
Director

REGISTERED OFFICE

301, Rupraj Building,
497, S.V.P. Road,
Mumbai 400 004

Dated : 26th August, 1999

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 AND A PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and share Transfer Book of the Company remain closed from 23rd September, 1999 to 30th September, 1999, both days inclusive.
4. Members are requested to bring their copies of The Annual Report and Accounts to the Meeting.

Explanatory Statement under Section 173 of the Companies Act, 1956
Item No. 4

Mr. C.D.Gandhi was appointed as Managing Director of the Company for a period of 5 years with effect from 18th February, 1991. The Shareholders at their Annual General Meeting held on 30th September, 1996 re-appointed him as Managing Director for a further period of three years upto 16th February, 1999. The Board of Directors at their meeting held on 30th January, 1999

SUNRAJ DIAMOND EXPORTS LTD.

re-appointed him as Managing Director for a further period of 5 years upto 16th February, 2004 at the remuneration and on terms and conditions specified below.

1. Salary
Rs. 8,000/- per month.
2. Perquisites will be in addition to salary and will be within the overall ceiling prescribed under Schedule XIII to the Companies Act, 1956.
 - a. Housing:
Furnished residential accommodation or in lieu thereof house rent allowance per month at 50% of monthly salary with free fuel, gas, electricity, water and furnishings or reimbursement of charges thereof.
 - b. Medical Reimbursement:
Of actual expenses incurred for self and family.
 - c. Leave Travel Concession:
for self and family, once in a year in accordance with the rules of the Company.
 - d. Club/Membership Fees:
Fees (including entrance/admission) subject to a maximum of any two clubs.
 - e. Personal Accident Insurance:
Of an amount, the annual premium of which, not to exceed Rs. 10,000.
 - f. Provident Fund/ Superannuation Fund/ Annuity:
Benefit of the Company's Provident Fund, and the benefit of any superannuation, annuity fund or scheme which the Company may introduce in future.
 - g. Gratuity:
Benefit under the Company's Gratuity Scheme.
 - h. Car:
Free use of Car with driver.
 - i. Telephone:
Use of telephone at residence.
 - j. Leave:
On full pay and allowance as per Rules of the Company. Encashment of leave will be permitted.
3. For the purpose of calculating the value of perquisites herein above, items at (f) to (j) shall be excluded. Perquisites shall be evaluated as per Income Tax Rules wherever applicable or at actual cost.
4. In the event of no profits or inadequacy of profits in any financial year, Mr. Gandhi shall be paid remuneration and perquisites in accordance with Section II of part II of Schedule XIII of the said Act.

Other Terms

- a. Reimbursement of expenses
Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company as per the rules of the Company.
- b. He shall not be paid any sitting fees for attending Board/Committee Meetings.
- c. He shall not become interested or otherwise be connected directly or through his wife and/or dependent children in any selling agency of the Company without prior approval of the Central Government.
- d. The appointment may be terminated by the Company or by Mr. Gandhi by giving not less than three months' prior notice in writing.
- e. In the event of death during the term of his office, the Company shall pay to Mr. Gandhi's legal heirs his full salary and other emoluments for that month and three months thereafter.

Mr. C.D. Gandhi has been associated with the Company since its inception and he brings with him rich experience in the Diamond Industry. This re-appointment at the remuneration detailed above is subject to the approval of the Shareholders. The Directors are of the opinion that Mr. Gandhi's knowledge and experience will be of immense value to the Company. The Directors therefore recommend the resolution for approval of Members.

A copy of the draft agreement referred to in the resolution at Item No. 4 will be available at the Registered Office of the Company and are open for inspection by the members between 10.00 a.m. to 1.00 p.m. on any working day except Saturday.

Mr. C.D. Gandhi, Mr. S.C. Gandhi and Mrs. G.C. Gandhi are concerned or interested in the Resolution item No. 4.

The Explanatory Statement together with the Notice should be treated as an abstract of the terms of the Agreement and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956.

REGISTERED OFFICE

301, Rupraj Building,
497, S.V.P. Road,
Mumbai 400 004

For and on behalf of the Board of Directors

S. C. Gandhi
Director

Dated : 26th August, 1999

Annual Report 1998-99**DIRECTORS' REPORT**

To,
The Members,
SUNRAJ DIAMOND EXPORTS LIMITED

The Directors have pleasure in presenting their Ninth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1999.

	April 1998 to March 1999 Rupees	April 1997 to March 1998 Rupees
Gross Operating profit for the year	285,935	3,52,082
Less: Depreciation	96,089	96,089
Preliminary Expenses		
Written Off	1,76,335	2,72,424
Profit before Tax	13,511	79,658
Less: provision for Taxation	5,000	28,000
	8,511	51,618
Add: Provision of Earlier Years w/off	5,21,510	
	5,30,021	51,638
Add: Surplus brought forward from Previous year	69,04,355	68,52,697
Balance carried to Balance Sheet	74,34,376	69,04,355

DIVIDEND

With a view to conserving the resources, your Directors have decided not to recommend Dividend for the year.

OPERATIONS

The Company has recorded a Turnover of Rs. 80,18,052/- during the year under review. Continued recession in the Diamond trade has resulted into a big slump in the market. Your Directors have therefore adopted a cautious approach and continue their endeavours to improve the situation.

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

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the annexure to the Report.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and therefore, this information has not been furnished as part of this Report.

DIRECTORS

In accordance with Article 109 of the Articles of Association of the Company, Mrs. G.C.Gandhi retires by rotation but being eligible, offer herself for re-appointment. The Board of Directors have re-appointed Mr. C.D.Gandhi as Managing Director with effect from 17th February, 1999. His re-appointment and terms of remuneration are placed before the shareholders for approval.

AUDITORS

Shareholders are requested to appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting. The retiring Auditors, M/s Bhupendra Shroff & Co., being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENTS

The Directors acknowledge the co-operation and assistance received from the Banks and various Government agencies both Central and State.

The Directors wish to place on record their sincere appreciation of the contribution made by the employees at all levels of the organisation who have greatly contributed to the results.

For and on behalf of the Board of Directors

G. C. Gandhi **S. C. Gandhi**
Directors

Mumbai, 26th August, 1999.