

SUNRAJ DIAMOND EXPORTS LTD.



**24TH ANNUAL REPORT
2013 - 2014**

SUNRAJ DIAMOND EXPORTS LTD.

DIRECTORS

Mr. Sunil C. Gandhi

Mr. Sunny S. Gandhi

Mr. Nirav K. Shah

Mr. Hargovind Shah

Mr. Jimit Shah

BANKERS

State Bank of India

Bank of Baroda

The Royal Bank of Scotland N.V.

HDFC Bank Ltd.

AUDITORS

M/s. Bhupendra Shroff & Co.

Chartered Accountants

REGISTERED OFFICE

1008, Panchratna Building, 10th Floor,
Opera House, Mumbai - 400 004.

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Adroit Corporate Services Pvt. Ltd.

17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400 059.

NOTICE

SUNRAJ DIAMOND EXPORTS LIMITED

(CIN: L36912MH1990PLC057803)

Registered Office: 1008, Panchratna, Mama Parmanand Marg, Opera House, Mumbai 400004.

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the shareholders of **Sunraj Diamond Exports Limited** will be held at Dadoba Jagannath Religious Trust, 21-A, Gamdevi Road, Mumbai 400 007 on Tuesday 30th September, 2014 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nirav Shah (holding DIN 02033505), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following **Ordinary Resolution:**
“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder the retiring Auditors M/s Bhupendra Shroff & Co., Chartered Accountants (Registration No.101478W), be and are hereby appointed as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the Twenty Seventh Annual General Meeting of the Company to be held in the year 2017, subject to ratification by the Members annually, at a remuneration as may be decided by the Board of Directors.”

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modifications the following Resolution as an **Ordinary Resolution:**
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Jimit Shah (holding DIN 02918938), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years.”
5. To consider and if thought fit to pass with or without modifications the following Resolution as an **Ordinary Resolution:**
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Hargovind Shah (holding DIN 05155126), Director of the Company whose period of office was liable to retire by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years.”

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6. To consider and if thought fit to pass with or without modifications the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mrs. Shruti Gandhi (holding DIN 06947535), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August, 2014, in terms of Section 161(1) of the Companies Act, 2013 read with Article 114 of the Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company.”

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

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any amendment, statutory modification or re-enactment thereof for the time being in force, read with Schedule V to the Companies Act, 2013, the consent of the Company, be and is hereby accorded to the re-appointment of Mr. Nirav Shah (holding DIN 02033505), as a Wholetime Director of the Company, with the designation “Executive Director” for a period of 3 years effective from 1st April, 2014, on the remuneration and upon the terms and conditions set out in the Explanatory Statement relating to this resolution with liberty and powers to the Board of Directors to alter and vary the terms and conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. Nirav Shah within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and subject to the approvals, consent, sanctions and permissions as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to enter into contracts and/or agreements with Related Parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or any other transaction of whatever nature with related parties.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the proposed transactions and the terms and conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolutions.”

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

“RESOLVED THAT pursuant to Section 94 and all other applicable provisions, if any, of the Companies Act, 2013 the approval of the Company be and is hereby accorded for relocating the Register of Members, Index of Members, Register of Debentureholders, other related books and copies of all annual returns prepared under Section 92 and other applicable provisions of the Act, or any one or more of them, from the premises of Ajel Infotech Limited at 106 Mhada Commercial Complex, Oshivara, Jogeshwari (West), Mumbai 400 102 to the premises of Adroit Corporate Services Pvt. Ltd. at 17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400 059.”

For and on behalf of the Board of Directors

Registered Office

1008, Panchratna,
Mama Parmanand Marg,
Opera House,
Mumbai 400 004.

SUNNY GANDHI
Executive Director

Dated: 14th August, 2014

NOTES FOR SHAREHOLDERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/POXIES TO ATTEND VOTE INSTEAD OF HIMSELF/ HER SELF. SUCH A PROXY/POXIES NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to the Special Business at the meeting, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23/09/2014 to 30/09/2014 (both days inclusive).
4. Members are requested to notify immediately any change of address:
 - (i) To their Depository Participants (DPs) in respect of their electronic share accounts, and
 - (ii) To the Company's Registrar & Share Transfer Agents, Adroit Corporate Services Pvt. Ltd. 17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri - (East), Mumbai - 400 059, in respect of their physical share folios, if any, quoting their folio numbers.
5. In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the Companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.

Members holding shares in electronic form are hereby informed the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank

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particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

6. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Office at 1008 Panchratna, Opera House, Mumbai- 400 004 or from its R&TA at either of the aforesaid addresses.
7. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs ('MCA'), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April, 21, 2011 and April 29, 2011 respectively, has allowed Companies to send official documents through electronic mode.

In the spirit of the above circulars and as part of the Company's Green initiative, the Company may propose to send documents like notice convening the general meetings, Financial Statements, Directors' Report, etc., to the e-mail address provided by the members.

We, therefore appeal to the members to be a part of the said 'Green Initiative' and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and/ or DP ID/ Client ID to the dedicated email address at info@sunrajdiamonds.com or at our R&TA's email address at info@adroitecorporate.com and register their request.

8. Members intending to require information about the financial Accounts, to be explained at the Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available.
9. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
10. Members are requested to bring their copy of the Annual report to the Meeting.
11. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule, 2014 and clause 35B of the Listing Agreement with Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" i. e. Sunraj Diamond Exports Limited from the drop down menu and click on "SUBMIT"
- (iv) Now enter your ID,
 - a. For CDSL : 16 Digits beneficiary ID.
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holdings shares in Physical Form should enter folio Number registered with the company. (6 Digit Alpha-Numeric).
- (v) Next enter the Image Verification as displayed and Click on Login.

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.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat form and Physical Form
PAN*	<p>Enter you 10 digit alpha-numeric *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 R12345 then enter RA00R12345 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company recorded for the said demat account of 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 cutoff date in the Dividend Bank Detail field.

12. After entering these details appropriately, click on "SUBMIT" tab.
13. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provide 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.
14. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
15. Click on the EVSN for the relevant <Company Name> i.e. Sunraj Diamond Exports Limited, on which you choose to vote.
16. On the voting page, you will see "RESOLUTION DISCRPTION" 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.
17. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
18. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm you vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
19. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
20. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

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21. 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 promoted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the accounts) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from Sl. No. (i) to Sl. No. (xvii) above to cast vote.
- (B) The voting period begins on 23.09.2014 at 9.00 a.m. and ends on 24.09.2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of (record date) of 22.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting you may refer the frequently Asked Questions ("FAQ") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
22. Mrs. Grishma khandwala, Practicing Company Secretary, (Membership No.6515) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
23. the Scrutinizer shall within a period not exceeding three (3) working days from 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 Scrutinizers' report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
24. The Results declared alongwith the Scrutinizer's report shall be placed on the Company's website www.sunrajdiamonds.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE and BSE limited.
25. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

For and on behalf of the Board of Directors

Registered Office

1008, Panchratna,
Mama Parmanand Marg,
Opera House,
Mumbai 400 004.

SUNNY GANDHI
Executive Director

Dated: 14th August, 2014

ANNEXURE TO THE NOTICE

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

Item No. 4 & 5

As per Section 149 of the Companies Act, 2013 ("the Act") the Company should have at least one third of the total number of Directors as Independent Directors on the Board of the Company. An Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company and no Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement by rotation shall not be applicable to the Independent Directors.

Clause 49(I)(A) of the Listing Agreement, as amended stipulates the conditions for the appointment of Independent Directors by a Listed Company.

Mr. Jimit Shah and Mr. Hargovind Shah are Independent Directors of the Company in terms of Clause 49 of the Listing Agreement and have held the positions as such for more than 4 years and 11 years respectively.

The Board of Directors at its Meeting held on 14.08.2014 has proposed the appointment of Mr. Jimit Shah and Mr. Hargovind Shah as Independent Directors, who shall hold office on the Board of the Company for a period of five consecutive years.

The Company has received Notices in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Act proposing the candidature of Mr. Jimit Shah and Mr. Hargovind Shah for the office of Independent Directors of the Company.

The Company has received declarations from each of the Independent Directors mentioned above that they meet with the criteria of Independence as prescribed both under Sub-Section (6) of Section 149 of the Act and under Clause 40 of the Listing Agreement.

Both the above mentioned Directors are persons of integrity and possess appropriate skills, experience, knowledge and qualifications in their respective fields which are beneficial to the interests of the Company.

In the opinion of the Board, the above mentioned Independent Directors fulfill the conditions for appointment as Independent Directors as specified in the Act and Rules framed thereunder. These Directors are Independent of the management.

A brief resume of the above mentioned Directors, nature of their expertise in specific functional areas and names of the Companies in which they hold Directorships and Memberships/Chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view the vast experience and knowledge which these Directors possess, the Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors.

Except Mr. Jimit Shah and Mr. Hargovind Shah, being appointees and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos.4 and 5 of the Notice. This Explanatory Statement may also be regarded as a disclosure under revised Clause 49 of the listing Agreement with the Stock exchange.

Item No. 6

As per the provisions of Section 149 (1) of the Act and amended clause 49 of the Listing Agreement, the Company should have at least one Women Director. Accordingly, Mrs. Shruti Gandhi was

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appointed on 14th August, 2014 as an Additional Director of the Company by the Board of Directors pursuant to Section 161(1) of the Companies Act, 2013 read with Article 114 of the Articles of Association of the Company. Mrs. Gandhi holds office as a Director of the Company upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mrs. Gandhi, for the office of the Director of the Company.

The Board recommends the resolution in relation to appointment of Mrs. Gandhi as a Director, for the approval by the shareholders of the Company.

Except Mrs. Gandhi, being an appointee and Mr. Sunny Gandhi, being a relative none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in this item No.6 of the notice.

Item No. 7

The Board of Directors at their meeting held on 29th March, 2014 has, subject to the approval of the Members, approved the re-appointment of Mr. Nirav Shah as Wholetime Director for a period of 3 years from 1st April, 2014 to 31st March, 2017 on the terms as to remuneration as set out herein.

Mr. Nirav Shah, Wholetime Director, subject to the supervision and control of Board of Directors, shall carry out such duties and perform such other functions and services as shall, from time to time, be assigned/entrusted to him by the Board of Directors.

Mr. Shah shall be liable to retire by rotation and such retirement and re-appointment at the Annual General Meeting of the Company during the tenure of his office as Wholetime Director this shall not constitute cessation of office as Wholetime Director.

The re-appointment of Mr. Nirav Shah will be on the following terms and conditions.

1. Term of Office:

Name	Designation	Period
Mr. Nirav Shah	Wholetime Director	1st April, 2014 to 31st March, 2017

2. Remuneration:

a) Salary

Name	Salary
Mr. Nirav Shah	₹ 75,000 p.m. to 150,000/- p.m.

The annual revision of salary in the above range, provided the same is within the limits specified under Schedule V to the Companies Act, 2013, will be subject to the approval of the Board of Directors of the Company.

b) Perquisites

- Reimbursement of entertainment expenses in the course of business of the Company.
- Free use of Company's car along with driver, running and maintenance expenses.
- Telephones, telefax and other Communication facilities at residence.
- Subject to statutory ceiling, the Wholetime Director may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

The salary mentioned above will be inclusive of the perquisites/allowances valued as per Income tax Rules, wherever applicable and in the absence of any such rules, shall be valued at actual cost, subject to a limit of 25% of salary as per a) above.