

SUNRAJ DIAMOND EXPORTS LTD.



**27TH ANNUAL REPORT
2016 - 2017**

SUNRAJ DIAMOND EXPORTS LTD.

DIRECTORS

Mr. Sunil C. Gandhi

Mr. Sunny S. Gandhi

Mr. Nirav K. Shah

Mr. Hargovind Shah

Mr. Jimit Shah

Mrs. Shruti Gandhi

BANKERS

State Bank of India

Bank of Baroda

IndusInd Bank Ltd.

HDFC Bank Ltd.

AUDITORS

M/s. Bhupendra Shroff & Co.

Chartered Accountants

REGISTERED OFFICE

1412-1414, Prasad Chambers, Opera House,
Mumbai - 400004.

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 - 400059.

E-mail: support@adroitcorporate.com

NOTICE

SUNRAJ DIAMOND EXPORTS LIMITED

(CIN: L36912MH1990PLC057803)

Registered Office: 1412-1414, Prasad Chambers, Opera House, Mumbai - 400004.

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the shareholders of **Sunraj Diamond Exports Limited** will be held at Kshatriya Gnyati Sabha Gruha, 229, Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400004 on Thursday 21st September, 2017 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Financial Statements (Standalone and Consolidated) i.e. Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss Account and the Cash Flow Statement for the financial year ended on March 31, 2017 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Shruti Gandhi (holding DIN 06947535), who retires by rotation and being eligible, offers herself 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 Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Shah Khakhi & Associates, Chartered Accountants (Firm Registration No. 0126506W), be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring Auditors M/s. Bhupendra Shroff & Co., Chartered Accountants (Firm Registration No. 101458W), to hold office from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting to be held in the year 2022 subject to ratification of their appointment by the Members at every Annual General Meeting till the 31st Annual General Meeting at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

For and on behalf of the Board of Directors

Registered Office

1412-1414, Prasad Chambers,
Opera House,
Mumbai - 400004.

SUNNY GANDHI
Executive Director
DIN No. 00695322

Dated: 7th August, 2017

NOTES FOR SHAREHOLDERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL AND SUCH PROXY 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.

SUNRAJ DIAMOND EXPORTS LTD.

2. The Explanatory Statement relating to the appointment of Statutory Auditor, though strictly not required as per Section 102 of the Companies Act, 2013, is annexed hereto.
3. Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard - 2 on "General Meetings", the particulars of Directors proposed to be appointed/re-appointed at the Meeting, are annexed to the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 18/09/2017 to 21/09/2017 (both days inclusive).
5. 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, M/s Adroit Corporate Services Pvt. Ltd. 17-20, Jafferbhoy 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.
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 either from the website of the Company at www.sunrajdiamonds.com or from the Registrar & Share Transfer Agents at their aforesaid addresses.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their dematerialized accounts. Members holding shares in physical form can submit their PAN details to the Company along with the proof thereof.
8. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email IDs are registered with the Company or the Depository Participants, unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participants. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
9. 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.
10. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
11. Members are requested to bring their copy of the Annual report to the Meeting.
12. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the shareholders, to enable them to cast their vote electronically. The Company has engaged services of Central Depository Services (India) Limited ("CDSL") for providing e-voting facility to Members. The facility for voting through Ballot Paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

Process for e-voting:

The instructions for shareholders voting electronically are as under:

In case of shareholders receiving e-mail:

- (i) The voting period begins on 18th September, 2017 and ends on 20th September, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th September, 2017 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 8 digits of the sequence number in the PAN field. In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) Company as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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 the relevant Company Name i.e. "Sunraj Diamond Exports Limited" on which you choose to vote.

SUNRAJ DIAMOND EXPORTS LTD.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **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 linked in the login 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.

In case of members receiving the physical copy:

- (i) Please follow all steps from Sl. No. (i) to Sl. No. (xix) above to cast vote.
 - (ii) The voting period begins on 18th September, 2017 and ends on 20th September, 2017. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (iii) 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.
13. 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.

14. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.
15. The Results declared alongwith the Scrutinizer's report shall be placed on the website of CDSL immediately after the declaration of result by the Chairman. The result shall also be immediately forwarded to BSE Limited where the shares of the Company are listed.

For and on behalf of the Board of Directors

Registered Office

1412-1414, Prasad Chambers,
Opera House,
Mumbai - 400004.

Dated: 7th August, 2017

SUNNY GANDHI
Executive Director
DIN No. 00695322

ANNEXURE TO THE NOTICE

THIS EXPLANATORY STATEMENT IS PROVIDED THOUGH STRICTLY NOT REQUIRED AS PER SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 3

As per the provisions of Companies Act, 2013 read with rules made thereunder no listed Company shall appoint an audit firm as auditor for more than two consecutive terms of five years and an audit firm which has completed its term shall not be eligible for re-appointment as auditor in the same company.

Every listed Company existing on or before the commencement of Companies Act, 2013 (i.e 1st April, 2014) shall comply with the provisions of Companies Act, 2013 within three years. Accordingly, the term of the existing Statutory Auditors, M/s. Bhupendra Shroff & Co., Chartered Accountants, is coming to end. The Board of Directors have recommended appointment of M/s. Shah Khakhi & Associates, Chartered Accountants as the Statutory Auditors of the Company in place of M/s. Bhupendra Shroff & Co., Chartered Accountants, existing Statutory Auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Thirty Second Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution at Item No. 3.

For and on behalf of the Board of Directors

Registered Office

1412-1414, Prasad Chambers,
Opera House,
Mumbai - 400004.

Dated: 7th August, 2017

SUNNY GANDHI
Executive Director
DIN No. 00695322

SUNRAJ DIAMOND EXPORTS LTD.

ANNEXURE - I

**Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting.
(Pursuant to the SEBI Listing Regulations and Secretarial Standard-2 on "General Meetings")**

1. Name of Director	Mrs. Shruti Gandhi
2. Director Identification Number (DIN)	06947535
3. Date of Birth	29/03/1984
4. Date of Appointment	14/08/2014
5. Experience in specific areas	Marketing
6. Academic Qualifications	M. Com.
7. Directorship in Other Companies	NIL
8. Professional Qualifications	M. Com.
9. Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	1
10. Shareholding in the Company (No. of shares)	NIL

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting 27th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March, 2017.

FINANCIAL RESULTS:

The salient features of the Company's working for the year under review are as under: (Amount in ₹)

Particulars	Standalone		Consolidated
	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2017
Sales and other Income	23,08,758	4,27,79,121	15,48,775
Profit / (Loss) before Interest and Depreciation	(1,11,06,609)	46,52,679	(130,45,127)
Less Interest & Finance Expenses	(1,12,94,218)	(1,38,95,381)	(1,14,67,898)
Profit/(Loss) before Depreciation	(2,24,00,827)	(92,42,702)	(2,45,13,024)
Less/Add: Depreciation	(9,46,560)	(22,44,699)	(9,46,560)
Profit/(Loss) Before Taxation	(2,33,47,387)	(1,14,87,400)	(2,54,59,584)
Less: Provision for Taxation (net)	NIL	(2,50,000)	NIL
Less/Add: Deferred Tax	65,080	31,96,065	65,080
Profit/(Loss) for the year	(2,32,82,307)	(85,41,335)	(2,53,94,504)
Less: Tax Adjustment relating to prior years	NIL	NIL	NIL
Add: Surplus brought forward from Previous year	1,74,63,299	2,60,04,634	4,60,24,967
Balance Carried to Balance Sheet	(58,19,008)	1,74,63,299	2,06,30,463

OPERATIONS:

Your Company has recorded a turnover of ₹ 57.89 lacs during the year under review as opposed to ₹ 318.40 lacs in the previous year. The Company has been conservative in its outlook and therefore has restricted turnover in order to minimize the risk of defaults.

DIVIDEND:

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

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e., 31 March 2017, and the date of the Directors' Report.

DIRECTORATE:

In accordance with the Act and the Articles of Association of your Company, Mrs. Shruti Gandhi retires by rotation and is eligible for re-appointment.

A brief profile of the Director liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013 is annexed to the Notice.

BOARD EVALUATION:

The Board has carried out an annual performance evaluation of the Directors individually including Independent Directors, Board as a whole and of its various committees on parameters such as skills, knowledge, participation in meetings, contribution towards Corporate Governance practices, compliance with code of ethics etc.

SUNRAJ DIAMOND EXPORTS LTD.

Independent Directors have carried out performance evaluation of non-independent Directors, Chairman of the Board and Board as a whole with respect to knowledge to perform the role, time and level of participation, performance of duties and level of oversight and professional conduct and independence.

The Directors expressed their satisfaction with the evaluation process.

MEETINGS:

During the year Six Board Meetings were convened and held. The details thereof are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 203 of the Companies Act, 2013 Mr. Sunny Gandhi Wholetime Director and Mr. Nirav Shah Wholetime Director and Chief Financial Officer continue to be the Key Managerial Personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS:

Necessary declarations have been obtained from all the Independent Directors under Section 149 (6) of the Companies Act, 2013 and Regulations 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

Your Company has a wholly owned foreign subsidiary Company in Dubai at the Dubai Multi Commodities Centre (DMCC), UAE in the name of SUNRAJ DIAMONDS DMCC.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the Financial statements of the Company's Subsidiaries (in Form AOC-1) is forming part of the Consolidated Financial Statement.

Pursuant to Section 136 of the Companies Act, 2013 the Company is exempted from attaching to its Annual Report the Annual Report of the Subsidiary Company viz. SUNRAJ DIAMONDS DMCC.

The financial statement of the subsidiary Company is kept open for inspection by the shareholders at the Registered Office of the Company. The Company shall provide the copy of the financial statement of its subsidiary company to the shareholders upon their request free of cost.

RELATED PARTY TRANSACTIONS:

There are no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence enclosing of form AOC 2 is not required. Suitable disclosure as required by the Accounting Standard (AS-18) has been made in the notes to the Financial Statements.

Particulars of Loans, Guarantees or Investments:

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013, during the year under review and hence the said provision is not applicable.

Business Risk Management

The Company manages and monitors principal risks and uncertainties that can impact ability of the Company to achieve its targets/ objectives. Timely reports are placed before the board for considering various risks involved in the Company business/operations. The Board evaluates these reports and necessary / corrective actions are then implemented.

A brief report on risk evaluation and management is provided under Management's Discussion and Analysis Report forming part of this Annual Report.

Internal Financial Controls

The Company has in place, adequate systems and procedures for implementation of internal financial control across the organization which enables the Company to ensure that these controls are operating effectively.