

SUNRAJ DIAMOND EXPORTS LTD.



**28TH ANNUAL REPORT
2017 - 2018**

SUNRAJ DIAMOND EXPORTS LTD.

DIRECTORS

- Sunil C. Gandhi** : Director
Sunny S. Gandhi : Whole Time Director
Nirav K. Shah : Whole Time Director & Chief Financial Officer
Hargovind Shah : Independent Director
Jimit Shah : Independent Director
(Resigned w.e.f. 14th December, 2017)
Shruti Gandhi : Independent Director
Pravin Shah : Independent Director
(Appointed w.e.f. 14th December, 2017)

BANKERS

State Bank of India
Bank of Baroda
IndusInd Bank Ltd.
HDFC Bank Ltd.

STATUTORY AUDITOR

M/s. Shah Khakhi & Associates
Chartered Accountants

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

REGISTERED OFFICE

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

NOTICE

SUNRAJ DIAMOND EXPORTS LIMITED

(CIN: L36912MH1990PLC057803)

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

NOTICE is hereby given that the Twenty Eighth 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 - 400 004 on Friday 28th September, 2018 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, 2018, the Statement of Profit and Loss Account and the Cash Flow statement for the financial year ended on March 31, 2018 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.

SPECIAL BUSINESS:

3. Appointment of Mr. Pravin Shah as an Independent Director

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

"RESOLVED THAT Mr. Pravin Dahyabhai Shah (DIN 08000282), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 14th December, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 109 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

"RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Mr. Pravin Dahyabhai Shah, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 14th December, 2017 to 13th December, 2022, be and is hereby approved."

For and on behalf of the Board of Directors

Registered Office

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

Dated: 14th August, 2018

SUNNY GANDHI

Executive Director

DIN No. 00695322

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

SUNRAJ DIAMOND EXPORTS LTD.

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. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out all material facts and details relating to the Special Business i.e. for Item No. 3 at the meeting, 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 25/09/2018 to 28/09/2018 (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 Tuesday 25th September, 2018 at 9.00 a.m. and ends on Thursday 27th September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday 21st September, 2018 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.

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- (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 Tuesday 25th September, 2018 and ends on Thursday 27th September, 2018. 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 Friday 21st September, 2018 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: 14th August, 2018

SUNNY GANDHI
Executive Director
DIN No. 00695322

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF
THE COMPANIES ACT, 2013.**

Item No. 3

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Pravin Dahyabhai Shah, as an Additional Director of the Company and also an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from 14th December, 2017 to 13th December, 2022, subject to approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Article 109 of the Articles of Association of the Company, Mr. Pravin Dahyabhai Shah shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company has received a declaration from Mr. Pravin Dahyabhai Shah to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, Mr. Pravin Dahyabhai Shah fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company.

Mr. Pravin Dahyabhai Shah has more than 40 years experience in the field of Finance. Details of Mr. Pravin Dahyabhai Shah have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Pravin Dahyabhai Shah as an Independent Director is now being placed before the Members for their approval. Keeping in view the experience and expertise of Mr. Shah, the Board of Directors considers it desirable that the Company should avail of his services and accordingly recommends the Resolution set out in Item No. 3 for the approval of the Members.

Except Mr. Pravin Dahyabhai Shah and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 3 of this Notice.

For and on behalf of the Board of Directors

Registered Office

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

Dated: 14th August, 2018

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	Mr. Nirav Shah	Mr. Pravin Shah
2.	Director Identification Number (DIN)	02033505	08000282
3.	Date of Birth	16.07.1980	01.04.1950
4.	Date of Appointment	28.03.2008	14.12.2017
5.	Experience in specific areas	Expertise in Global Trade of Minerals, Commodities, Finance and Marketing	More than 40 years experience in Finance
6.	Academic Qualifications	B.Com	S.S.C.
7.	Directorship in Other Companies	Nil	Nil
8.	Professional Qualifications	Nil	Nil
9.	Memberships/Chairmanships of Audit and Stakeholders’ Relationship Committees across Public Companies	Chairmanship - Nil Membership of stakeholders Relationship Committee	Nil
10.	Shareholding in the Company (No. of shares)	Nil	Nil

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting 28th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March, 2018.

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 31.03.2018	Year Ended 31.03.2017	Year Ended 31.03.2018
Sales and other Income	87,53,297	23,08,758	87,53,297
Profit / (Loss) before Interest and Depreciation	(37,44,718)	(1,11,06,609)	(43,49,512)
Less Interest & Finance Expenses	(1,15,05,583)	(1,12,94,218)	(1,15,05,583)
Profit/(Loss) before Depreciation	(1,52,50,301)	(2,24,00,827)	(1,59,34,442)
Less/Add: Depreciation	(9,52,994)	(9,46,560)	(9,52,994)
Profit/(Loss) Before Taxation	(1,62,03,294)	(2,33,47,387)	(1,68,87,436)
Less: Provision for Taxation (Net)	NIL	NIL	NIL
Less/Add: Deferred Tax	75,254	65,080	75,254
Profit/(Loss) for the year	(1,61,28,040)	(2,32,82,307)	(1,68,12,182)
Less: Tax Adjustment relating to prior years	NIL	NIL	NIL
Add: Surplus brought forward from Previous year	(58,19,008)	1,74,63,299	1,94,41,757
Balance Carried to Balance Sheet	(2,19,47,047)	(58,19,008)	26,29,575

OPERATIONS:

Your Company has recorded a turnover of ₹ 62.56 lacs during the year under review as opposed to ₹ 57.89 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, 2018, and the date of the Directors' Report.

DIRECTORATE:

Mr. Pravin Dahyabhai Shah was appointed as an Additional and Independent Director with effect from 14th December, 2017.

In accordance with the Act and the Articles of Association of your Company, Mr. Nirav Shah retires by rotation and is eligible for re-appointment.

Mr. Jimit Balmukand Shah resigned as Independent Director w.e.f. 14th December, 2017 due to his other professional commitments. The Board places on record its appreciation for the contribution and guidance provided by him during his tenure as Director of the Company.

Brief profiles of the Director seeking appointment/re-appointment as Directors of the Company are annexed to the Notice.

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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.

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 Five 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.