

# **SUNRAJ DIAMOND EXPORTS LTD.**



**27<sup>TH</sup> 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](mailto: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: 7<sup>th</sup> 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](http://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](http://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](http://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"> <li>• 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.</li> <li>• 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.</li> </ul>
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"> <li>• 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).</li> </ul>

- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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: 7<sup>th</sup> 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: 7<sup>th</sup> 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	<b>Mrs. Shruti Gandhi</b>
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.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**

The Company does not own any manufacturing facility and hence the particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Accounts) Rules, 2014 are not applicable. Particulars with regards to foreign exchange expenditure and earning are given in Note Nos. 9 and 10 of the notes to the accounts.

### **Corporate Social Responsibility (CSR)**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

### **Directors' Responsibility Statement**

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013. The Directors confirm that :

- a) the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- b) the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for the financial year;
- c) sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- d) the Annual Accounts have been prepared on a going concern basis;
- e) the internal financial controls laid down in the Company were adequate and operating effectively;
- f) the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

### **Share Registrar & Transfer Agent**

The Company's Registrar & Transfer Agents for shares is Adroit Corporate Services Pvt. Ltd (ACSPL). ACSPL is a SEBI registered Registrar & Transfer Agent. The contact details of ACSPL are mentioned in the Report on Corporate Governance. Investors are requested to address their queries, if any to ACSPL; however, in case of difficulties, as always, they are welcome to contact the Company's Compliance Officer, the contact particulars of which are contained in the Report on Corporate Governance.

### **Fixed Deposit**

Your Company has not accepted any deposit from the public during the year within the meaning of Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

### **Particulars of Employees**

The Company does not have any employee covered under the provisions of Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and therefore, this information has not been furnished as part of this Report.

The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure I and forms a part of this Report of the Directors.

### **Vigil Mechanism**

The Company has a Vigil Mechanism and Whistle-Blower Policy to deal with instances of fraud and mis-management, if any, and conducting business with integrity, including in accordance with all applicable laws and regulations.

### **Auditors**

M/s Bhupendra Shroff & Co., Chartered Accountants FRN No.101458W the retiring Auditors have completed the maximum tenure as Statutory Auditors of the Company as provided under the Companies Act, 2013 and relevant Rules thereunder.

## SUNRAJ DIAMOND EXPORTS LTD.

---

The Board of Directors on the recommendation of the Audit Committee has approved and recommended to the Members, the appointment of M/s. Shah Khakhi & Associates, Chartered Accountants FRN No. 0126506W who have given a written consent to act as Statutory Auditors of your Company and have also confirmed that the said appointment would be in conformity with the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) rules, 2014.

The Members are requested to appoint M/s Shah Khakhi & Associates, Chartered Accountants as Statutory Auditors of the Company in place of the retiring Auditors M/s Bhupendra Shroff & Co., Chartered Accountants at the ensuing Annual General Meeting for a period of 5 years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 32nd Annual General Meeting and fix their remuneration.

### **Auditors' Report**

The Auditors' Report to the shareholders does not contain any reservation, qualification or adverse remark.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Grishma Khandwala, Practicing Company Secretary (C.P. No. 1500) to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended 31st March, 2017 is annexed herewith as 'Annexure - II' to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

### **Extract of Annual Return**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure III.

### **General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- e) During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **Acknowledgement**

The Directors wish to take this opportunity to express their sincere thanks to the Company's Bankers for their valuable support and the Shareholders for their unflinching confidence in the Company.

### **Corporate Governance:**

A detailed report on Corporate Governance forms part of this Annual Report. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated : 7<sup>th</sup> August, 2017

<b>SUNNY GANDHI</b>	<b>NIRAV SHAH</b>
Executive Director	Executive Director
<b>DIN No. 00695322</b>	<b>DIN No. 02033505</b>

ANNEXURE - I

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016**

**(i) Details of Remuneration of employees as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.**

The percentage increase in remuneration of each Director, Chief Executive Officer and Chief Financial Officer during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

Sl No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (₹ in Lacs)	% increase in Remuneration in the financial year 2016-17	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Sunny Gandhi - (Whole Time Director)	₹ 6.50 Lacs	N.A	3.51:1
2	Mr. Nirav Shah - (Whole Time Director) & (CFO)	₹ 9.75 Lacs	N.A	5.26:1

- (ii) The median remuneration of employees of the Company during the financial year 2016-17 was ₹ 1,85,250/-
- (iii) In the financial year 2016-17, there was an increase of 1.79% in the median remuneration of employees.
- (iv) There were 10 permanent employees on the rolls of Company as on March 31, 2017.
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2016-17 is 8%-10% whereas the increase in the managerial remuneration for the same financial year was NIL
- (vi) The key parameters for the variable component of remuneration availed by the Directors:  
There is no variable component of remuneration availed by the Directors.
- (vii) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2017 is as per the Remuneration Policy of the Company.

## SUNRAJ DIAMOND EXPORTS LTD.

### II. Details of Remuneration of Top 10 Employees as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereof.

Sr. No.	Employee Name	Designation	Educational Qualification	Age	Experience (In Years)	Date of Joining	Gross Remuneration p.a. (Paid in Rs.)	Previous Employment
1.	Mr. Nirav Shah	Whole Time Director & CFO	B.com	37	9	28/03/2008	6,50,000	NIL
2.	Mr. Sunny Gandhi	Whole Time Director	B.com	35	11	31/01/2006	9,75,000	NIL
3.	Mr. Dhaval Batavia	Chief Accountant	B.com	24	1	16/05/2016	4,00,500	NIL
4.	Ms. Yogita Pednekar	Accountant	B.com	39	8	20/07/2009	3,45,000	NIL
5.	Mrs. Khusboo Shah	Account Assistant	M.com	29	7	08/10/2010	2,04,000	NIL
6.	Mr. Sean Gandhi	Assortment Assistant	B.com	27	7	01/04/2010	1,43,000	NIL
7.	Mr. Suresh Mali	Administrative Staff	HSC	41	9	31/07/2008	3,25,000	NIL
8.	Mr. Tushar Ghedad	Administrative Staff	HSC	28	6	01/04/2011	1,56,000	NIL
9.	Mr. Subhash Malekar	Administrative Staff	SSC	43	8	16/06/2009	1,69,000	NIL
10.	Mr. Satyawan Shirsat	Administrative Staff	SSC	46	9	31/07/2008	2,21,000	NIL

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the Company's Financial Year from 1st April, 2016 to 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel)]

To,  
The Members,  
**Sunraj Diamond Exports Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sunraj Diamond Exports Limited. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period comprising the Company's financial year ended on 31st March, 2017 generally 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sunraj Diamond Exports Limited for the Company's financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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'):-
  - (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 and 2015.;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable to the Company during the Audit Period;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable to the Company during the Audit Period;

## **SUNRAJ DIAMOND EXPORTS LTD.**

---

- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable to the Company during the Audit Period;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable to the Company during the Audit Period;

As per information provided by the management, there are no laws specifically applicable to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, to the extent applicable,

I Further Report that during the year under review

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was 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.

Decisions at the Board meetings were taken unanimously.

I 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.

Mumbai, 7<sup>th</sup> August, 2017

**GRISHMA KHANDWALA**

Company Secretary

ACS No. 6515

C.P. No. 1500

7, Indian Mercantile Mansions,  
Madam Cama Road,  
Mumbai - 400039.



To,  
The Members,  
**Sunraj Diamond Exports Limited**

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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 management. My examination was limited to the verification of procedures on test basis.
6. I further report that, to the best of my understanding, the Company, during the year under report, had not undertaken any events/action having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**GRISHMA KHANDWALA**

Company Secretary

ACS No. 6515

C.P. No. 1500

7, Indian Mercantile Mansions,  
Madam Cama Road,  
Mumbai - 400039.

Mumbai, 7<sup>th</sup> August, 2017

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

AS ON FINANCIAL YEAR ENDED ON 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	:	<b>L36912MH1990PLC057803</b>
2.	Registration Date	:	22-08-1990
3.	Name of the Company	:	<b>SUNRAJ DIAMOND EXPORTS LTD.</b>
4.	Category/Sub-Category of the Company	:	Public Company
5.	Address of the Registered Office and contact details	:	1412-1414, Prasad Chambers, Opera House, Mumbai - 400 004. Tel No. 022-23638559, 23610069
6.	Whether listed company	:	BOMBAY STOCK EXCHANGE
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	<b>Adroit Corporate Services Pvt. Ltd.</b> 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri - East, Mumbai - 400 059. Tel. No. 022-42270400

**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)

<b>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the products / services</b>	<b>% to total turnover of the Company</b>
1	Gems & Jewelry	7113	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sr. No.</b>	<b>Name And Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/Subsidiary/ Associate</b>	<b>% of Shares held</b>	<b>Applicable Section</b>
1	Sunraj Diamonds DMCC	N.A.	Subsidiary	100%	2(87)(ii)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## A) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-4-2016]				No. of Shares held at the end of the year [As on 31-03-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) DIRECTORS RELATIVES	479205	0	479205	8.99	479205	0	479205	8.99	0.00
f-2) DIRECTORS	1435800	0	1435800	26.94	1435800	0	1435800	26.94	0.00
<b>Total Shareholding of promoter (A)</b>	<b>1915005</b>	<b>0</b>	<b>1915005</b>	<b>35.93</b>	<b>1915005</b>	<b>0</b>	<b>1915005</b>	<b>35.93</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	7500	7500	0.14	0	7500	7500	0.14	0.00
b) Banks / FI	0	1600	1600	0.03	0	1600	1600	0.03	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)									
i-1) Others	0	0	0	0.00	0	0	0	0.00	0.00
i-2) Directors Relative	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (1)</b>	<b>0</b>	<b>9100</b>	<b>9100</b>	<b>0.17</b>	<b>0</b>	<b>9100</b>	<b>9100</b>	<b>0.17</b>	<b>0.00</b>
<b>(2) Non - Institutions</b>									
a) Bodies Corp.									
i) Indian	45968	16700	62668	1.18	45168	16700	61868	1.16	-0.02
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	827656	1065400	1893056	35.51	835686	1058100	1893786	35.53	0.02
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1328921	0	1328921	24.93	988494	442747	1431241	26.85	1.92
c) Others (Specify)									
c-1) Non Resident Indians (Individuals)	18150	0	18150	0.34	15900	0	15900	0.30	-0.04
c-2) Clearing Members	100000	0	100000	1.88	0	0	0	0	-1.88
c-3) Trusts	3500	0	3500	0.07	3500	0	3500	0.07	0.00
<b>Sub-total (B)(2)</b>	<b>2324195</b>	<b>1082100</b>	<b>3406295</b>	<b>63.90</b>	<b>1888748</b>	<b>1517547</b>	<b>3406295</b>	<b>63.90</b>	<b>0.00</b>
<b>Total Public Shareholding(B)= (B)(1)+(B)(2)</b>	<b>2324195</b>	<b>1091200</b>	<b>3415395</b>	<b>64.07</b>	<b>1888748</b>	<b>1526647</b>	<b>3415395</b>	<b>64.07</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs.</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>4239200</b>	<b>1091200</b>	<b>5330400</b>	<b>100.00</b>	<b>3803753</b>	<b>1526647</b>	<b>5330400</b>	<b>100</b>	<b>0.00</b>

## SUNRAJ DIAMOND EXPORTS LTD.

### B) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	SUNIL CHANDRAKANT GANDHI	115000	2.16	0.00	115000	2.16	0.00	0.00
2	GUNVANTI CHANDRAKANT GANDHI	375000	7.04	0.00	375000	7.04	0.00	0.00
3	SUNNY SUNIL GANDHI	1320800	24.78	0.00	1320800	24.78	0.00	0.00
4	SEAN SUNIL GANDHI	104205	1.95	0.00	104205	1.95	0.00	0.00
	<b>TOTAL</b>	<b>1915005</b>	<b>35.93</b>	<b>0.00</b>	<b>1915005</b>	<b>35.93</b>	<b>0.00</b>	<b>0.00</b>

### C) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. No.	Particulars	As on Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	<b>At the beginning of the year</b>					
	<b>GUNVANTI CHANDRAKANT GANDHI</b>	01/04/2016	375000	7.04	375000	7.04
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	375000	7.04
2	<b>At the beginning of the year</b>					
	<b>SUNIL CHANDRAKANT GANDHI</b>	01/04/2016	115000	2.16	115000	2.16
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	115000	2.16
3	<b>At the beginning of the year</b>					
	<b>SUNNY SUNIL GANDHI</b>	01/04/2016	1320800	24.78	1320800	24.78
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	1320800	24.78
4	<b>At the beginning of the year</b>					
	<b>SEAN SUNIL GANDHI</b>	01/04/2016	104205	1.95	104205	1.95
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	104205	1.95

**D) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders / Name of Shareholder's	As on Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	At the beginning of the year					
	KAWALJIT SINGH	4/1/2016	261409	4.90	261409	4.90
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	261409	4.90
2	At the beginning of the year					
	NIRAVKUMAR KIRITKUMAR SHAH HUF	4/1/2016	130378	2.45	130378	2.45
	Date wise Increase / Decrease in Share holding during the year	22/04/2016	116638	2.19	247016	4.63
	At the End of the year	31/03/2017	0	0.00	247016	4.63
3	At the beginning of the year					
	NIRAV KIRITBHAI SHAH	4/1/2016	195731	3.67	195731	3.67
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	195731	3.67
4	At the beginning of the year					
	MAHESH CHIMANLAL PATEL	4/1/2016	150500	2.82	150500	2.82
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	150500	2.82
5	At the beginning of the year					
	JM FINANCIAL SERVICES LIMITED	4/1/2016	100000	1.88	100000	1.88
	Date wise Increase / Decrease in Share holding during the year	08/04/2016	-100000	1.88	0	0.00
	At the End of the year	31/03/2017	0	0.00	0	0.00
6	At the beginning of the year					
	TARABEN C SHAH	4/1/2016	86618	1.62	86618	1.62
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	86618	1.62
7	At the beginning of the year					
	MANTHAN C SHAH	4/1/2016	59925	1.12	59925	1.12
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	59925	1.12
8	At the beginning of the year					
	CHINUBHAI V SHAH	4/1/2016	56210	1.05	56210	1.05
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	56210	1.05
9	At the beginning of the year					
	NAITIK C SHAH	4/1/2016	48359	0.91	48359	0.91
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	48359	0.91
10	At the beginning of the year					
	TUSHAR K MEHTA	4/1/2016	45306	0.85	45306	0.85
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2017	0	0.00	45306	0.85

## SUNRAJ DIAMOND EXPORTS LTD.

### E) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Director and each Key Managerial Personnel Name of Shareholder's	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1.	SUNIL CHANDRAKANT GANDHI	115000	2.16	115000	2.16
2.	SUNNY SUNIL GANDHI	1320800	24.78	1320800	24.78
3.	HARGOVIND SHAH	Nil	Nil	Nil	Nil
4.	JIMIT SHAH	Nil	Nil	Nil	Nil
5.	SHRUTI GANDHI	Nil	Nil	Nil	Nil

### V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

Particulars	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	₹ NIL	₹ 8,48,17,691	NIL	₹ 8,48,17,691
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
<b>Total (i+ii+iii)</b>	<b>₹ NIL</b>	<b>₹ 8,48,17,691</b>	<b>NIL</b>	<b>₹ 8,48,17,691</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	₹ NIL	₹ 3,60,00,914	NIL	₹ 3,60,00,914
• Reduction	₹ NIL	(₹ 2,09,56,735)	NIL	(₹ 2,09,56,735)
<b>Net Change</b>	<b>₹ NIL</b>	<b>₹ 1,50,44,179</b>	<b>NIL</b>	<b>₹ 1,50,44,179</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	₹ NIL	₹ 9,98,61,870	NIL	₹ 9,98,61,870
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
<b>Total (i+ii+iii)</b>	<b>₹ NIL</b>	<b>₹ 9,98,61,870</b>	<b>NIL</b>	<b>₹ 9,98,61,870</b>

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration of Managing Director, Whole-time Director and / or Manager (₹)**

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Sunny Gandhi Executive Director	Mr. Nirav Shah Executive Director & CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	650,000.00	975,000.00	16,25,000.00
	(b) Value of Perquisites u/s 17 (2) of the Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.
4.	Commission	N.A.	N.A.	N.A.
	• As % of profit			
	• Others, specify			
5.	Others, please specify	N.A.	N.A.	N.A.
	Total (A)	650,000.00	975,000.00	16,25,000.00
	Ceiling as per the Act	30,00,000	30,00,000	-

## SUNRAJ DIAMOND EXPORTS LTD.

### B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
<b>1.</b>	<b>Independent Directors</b>		
	Fee for attending board committee meetings	HARGOVIND SHAH JIMIT SHAH	4,000 4,000
	Commission		
	Others, please specify		
	<b>Total (1)</b>		
<b>2.</b>	<b>Other Non-Executive Directors</b>		
	Fee for attending board committee meetings		
	Commission	NIL	
	Others, please specify		
	<b>Total (2)</b>		
	<b>Total (B) = (1+2)</b>	NIL	
	Total Managerial Remuneration	NIL	
	Overall Ceiling as per the Act		

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	975,000	975,000
	b) Value of Perquisites u/s 17 (2) of the Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	• as % of profit	-	-	-	-
	• others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>			<b>975,000</b>	<b>975,000</b>



**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	}		Not Applicable		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	}		Not Applicable		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	}		Not Applicable		
Punishment					
Compounding					

Place : Mumbai,  
Dated: 7<sup>th</sup> August, 2017

**SUNNY GANDHI**  
Executive Director  
DIN No. 00695322

**NIRAV SHAH**  
Executive Director  
DIN No. 02033505

**MANAGEMENT DISCUSSION AND ANALYSIS**

**A) Industry Structure and Development :**

The Diamond Industry has downsized itself over the past 1 year. The year has seen manufacturing businesses decrease drastically, and traders on the other hand are more cautious. There is severe resistance of price towards the miners and this has resulted in lower allocation of Rough Diamonds entering the market. This will continue throughout the current financial year and into 2018.

**B) Opportunities and Threats :**

The Strengthening of the currency is a big boost for Importers, and this will result in lower Cost of Production. The stability in Rough Diamond prices should also push sales thereby allowing the existing manufacturers to turn profitable. Lower Inventory should spur growth.

The threat to the Industry is largely being seen from the emerging existence of Lab Grown CVD Diamonds. These have been circulating the market for the last few years and there are more and more instances of these stones being used by unscrupulous traders.

**C) Segment-wise Performance :**

The Company currently has only one business segment viz. trading in cut and polished diamonds and hence product-wise performance is not provided.

## SUNRAJ DIAMOND EXPORTS LTD.

---

### **D) Outlook :**

The Indian Diamond Industry is going through a period of change. The prices of Rough and polished diamonds are stable with more focus on the existing manufacturing Industry. This is creating a healthy business atmosphere and encouraging polishing activity under the new Make in India campaign. We expect 2017 - 2018 to be a year where there is not much growth but a healthier and leaner business model being created.

### **E) Risk and Concerns :**

The Company identifies a spurt in Raw Material prices would create a slowdown of Sales in polished Diamonds. This would severely affect export sales to the Europe and Middle East. A prolonged period of sluggish growth could be harmful in the long run. A strengthening currency may affect exports as well.

### **F) Internal Control Systems and their Adequacy :**

The Company has a satisfactory internal control system, the adequacy of which has been mentioned in the Auditors' Report.

### **G) Human Resources :**

There has been no material development on the Human Resource / Industrial relations front during the year.

---

## **REPORT ON CORPORATE GOVERNANCE**

A report for the financial year ended March 31, 2017 on the compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is furnished below:

### **1. Company's Philosophy on Code of Governance :**

The Company believes that to be an effective business entity the Organisation has to recognise its responsibilities to the stakeholders and should be guided by the principles of just and efficient governance for mutual benefit. The Company's corporate philosophy imbibes the ideal of this principle and accordingly has endeavored to carry out all its operations in a transparent and fair manner.

The Company has adopted a Code of Conduct as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Directors have confirmed compliance with the code of conduct for the year ended 31st March, 2017.

In compliance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all members of the Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management.

The relevant standards of Corporate Governance have been fully complied with by the Company.

### **2. Board of Directors :**

#### **Composition and size of the Board**

The present strength of the Board is 6 out of which 4 are Non-executive Directors (more than two third of the total Board strength) and among these 4 Non-Executive Directors, 2 are Independent Directors.

The size and composition of the Board confirms with the requirements of Corporate Governance under the Listing Regulations and applicable laws. The Independent Non-Executive Directors of the Company do not have any other material or pecuniary relationship or transactions with the Company, its promoters, or its management, which in the judgment of the Board may affect independence of judgment of the Directors. Non-Executive Directors are not paid any remuneration.

Mr. Sunny Gandhi, Executive Director is the son of Mr. Sunil Gandhi, Director.

In the financial year 2016 - 2017, the Board met Six times. The Board Meetings were held on

- |                         |                       |                          |
|-------------------------|-----------------------|--------------------------|
| (1) 31st May, 2016      | (2) 12th August, 2016 | (3) 10th September 2016  |
| (4) 14th November, 2016 | (5) 31 January 2017   | (6) 13th February, 2017. |

The composition of Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorship, committee memberships and chairmanships held by them, are given below:

Name of the Directors	Status i.e. Executive, Non-Executive and Independent	Shares held	Members of Boards of Other Companies	Total Number of Committee Membership held		Number of Board Meeting held during the year		Whether attended last Annual General Meeting
				As Chairman	As Member	Held	Attended	
Mr. Sunny Gandhi	Promoter ED	1320800	K. D. Shah Investments Pvt. Ltd. Sunraj Investments & Finance Pvt. Ltd.	Nil	1	6	6	Yes
Mr. Hargovind Shah	Independent Director	Nil	Nil	1	1	6	6	Yes
Mr. Nirav Shah	WTD & CFO	Nil	Nil	Nil	1	6	6	Yes
Mr. Sunil Gandhi	Promoter NED	115000	Sunraj Investments & Finance Pvt. Ltd.	Nil	1	6	3	No
Mr. Jimit Shah	Independent Director	0	Nil	1	1	6	4	Yes
Mrs. Shruti Gandhi	Women Director	0	Nil	1	Nil	6	6	Yes

As provided under Regulation 25/26 of the SEBI Listing Regulations, none of the Independent Directors on Board acts as an Independent Director in more than seven listed entities, none of the Wholetime/Executive Directors on Board acts as Independent Director in more than three listed entities, none of the Directors are members in more than ten committees or acts as Chairman of more than five such committees.

### Meeting of Independent Directors

The Independent Directors met once during the Financial Year 2016-17, without the presence of Executive Directors or Management Representatives. The issues and concerns, if any, of the meeting were then discussed with the Non Executive Chairman.

### 3. Audit Committee:

Terms of reference, Composition:

The present composition of the Audit Committee is as under:

Member	Position	No. of Meetings attended
Mr. Hargovind Shah	Chairman	4
Mr. Sunny Gandhi	Member	4
Mr. Jimit Shah	Member	4

The above composition duly meets the requirements as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee acts as a link between the management, external and internal Auditors and the Board of Directors.

The functions of the Audit Committee are as per Company Law and Listing Regulations. These include review of accounting and financial policies and procedure, review of financial reporting system, internal control procedures and risk management policies.

The Audit Committee met four times during the financial year 2016-17, on the following dates namely, 31st May, 2016, 12th August, 2016, 14th November, 2016 and 13th February, 2017 and the frequency was as prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and twenty days.

## SUNRAJ DIAMOND EXPORTS LTD.

### 4. Nomination and Remuneration Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013, the Board of Directors of the Company have constituted the "Nomination and Remuneration Committee."

The Nomination and Remuneration Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee as approved by the Board of Directors are briefly set out below:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommended to the Board for their appointment and removal;
- 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;
- To formulate criteria for evaluation of Independent Directors and the Board and to carry out evaluation of every director's performance; and
- To devise a policy on Board diversity.

During the year under review the following Directors were the Members of the Nomination and Remuneration Committee.

Member	Position	No. of Meetings held	No. of Meetings attended
Mr. Jimit Shah	Chairman	1	1
Mr. Hargovind Shah	Member	1	1
Mr. Sunil Gandhi	Member	1	1

The Company also has a Nomination and Remuneration Policy.

The Company has also devised a familiarization program for the Independent Directors to help them understand the Company, its management, roles and responsibilities in the Company, operations of the Company etc.

The Nomination and Remuneration Committee met three times during the financial year 2016-17, on the following dates namely, 12th August, 2016.

The details of remuneration paid to Directors/ Executive Directors for the financial year ended 31st March, 2017 are set out below:

The Independent Directors are paid only sitting fees for attending Board/Committee Meetings. The details of sitting fees paid to Independent Directors during the year under review are as under:

#### Non-Executive Directors

Name	Sitting Fees Paid
Mr. Sunil Gandhi	NIL
Mr. Hargovind Shah	4,000
Mr. Jimit Shah	4,000
Mrs. Shruti Gandhi	NIL
<b>Total</b>	<b>8,000</b>

#### Executive Directors

Name	Salary
Mr. Sunny Gandhi	6,50,000
Mr. Nirav Shah	9,75,000
<b>Total</b>	<b>16,25,000</b>

The Company has not issued any stock options.

**5. Stakeholders Relationship Committee**

The Stakeholder's Relationship Committee has been constituted to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report etc.

During the year under review the following Directors were the Members of the Stakeholders Relationship Committee.

Member	Position	No. of Meetings held	No. of Meetings attended
Shruti Gandhi	Chairperson	4	4
Nirav Shah	Member	4	4

Stakeholders Relationship Committee met four times during the financial year 2016-17, on the following dates namely, 31st May, 2016, 12th August, 2016, 14th November, 2016 and 13th February, 2017 and the frequency was as prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and twenty days.

Mr. Nirav Shah, Director is the Compliance Officer.

During the financial year there were following complaints received from the shareholders.

The Particulars of Investors, grievances received and redressed during the year are furnished below:

Sl. No.	Nature of Complaints	No. of Complaints		
		Received	Resolved	Pending as on 31/03/2017
1)	Non receipt of Annual Report	NIL	NIL	NIL
2)	Complaints relating to Dematerialisation of Shares	NIL	NIL	NIL
3)	Non - receipt of Shares certificates After transfer / duplicate / Name correction	NIL	NIL	NIL
4)	Others	1	1	NIL
	TOTAL	NIL	NIL	NIL

**6. General Body Meetings:**

The details of Annual General Meetings held during last three years are as under:-

Financial Year	Day and Date	Time
2015 - 2016	Friday 30/09/2016	11.30 a.m.
2014 - 2015	Wednesday 30/09/2015	11.30 a.m.
2013 - 2014	Tuesday 30/09/2014	11.30 a.m.

**Location:**

The AGM for the year 2016 - 2017 was held at Kshatriya Gnyati Sabha Gruha, 229, Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400004.

**Business:**

During the last year, there was no business, which had to be conducted through a postal ballot. At present, the Company does not have any resolution to be decided by the members by postal ballot.

**7. Disclosures:**

**1. Related Party Transactions:**

There are related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their associate companies or relatives, not conflicting with Company's interest, the details of which have been shown in Note No. 1 (d) of Financial Statements, Notes forming part of the Accounts for the year ended 31st March, 2017.

The Company has not entered into any transaction of material nature with the promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The register of contracts containing transactions, in which directors are interested, is placed before the board regularly.

## SUNRAJ DIAMOND EXPORTS LTD.

---

2. **Code of Conduct:**

The Board of Directors of the Company has laid down two separate Codes of Conduct - one for Directors and other for Senior Management and Employees.

All Board Members and Senior Management personnel have affirmed compliance with the Code of conduct for the year under review. A Declaration signed by CFO / Director to this effect is annexed to this report.

3. **CEO/CFO Certification:**

As required under Regulation 17(8), of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the CFO has given a certificate to the Board in the prescribed format for the year ended 31st March, 2017.

4. **Risk Management:**

The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

5. **Statutory Compliance, Penalties and Strictures:**

The Company has complied with all the requirements of regulatory authorities on matters relating to capital markets and no penalties/ strictures have been imposed on the Company by the Stock Exchange or SEBI.

6. **Whistle Blower Policy:**

The Company encourages and opens door policy where employees have access to the Head of the Business/Function. In terms of Sunraj Diamond Exports Limited's Code of Conduct, any instance of non-adherence to the code of any other observed/unethical behavior is to be brought to the attention of the immediate reporting authority, who is required to report the same to the appropriate person.

8. **Means of Communication:**

The Company publishes its Unaudited quarterly, half yearly and yearly financial results in leading national newspapers; namely "The Free Press Journal - English Edition" and "Navshakti - Marathi Edition". The Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board. The Company is not displaying the financial results on website. The Company has not sent the half yearly report to the Shareholders. No presentations were made to the institutional investors or analysts during the year under review.

9. **General Shareholder Information:**

- a. **AGM Day, Date, Time** Thursday, 21st September, 2017 at 11.30 a.m.
- b. **Venue** Kshatriya Gnyati Sabha Gruha,  
229 Raja Ram Mohan Roy Marg, Girgaum,  
Mumbai - 400 004.
- c. **Financial Calendar** The Board of Directors of the Company approves the unaudited results for each quarter within such number of days as may prescribed under the Listing Agreement from time to time
- d. **Book Closure Period** 18.09.2017 to 21.09.2017
- e. **Listing on Stock Exchanges at:**  
The Equity Shares of the Company are listed at the The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001.
- f. **Stock/Company/Security/Common Code:**  
The Stock Exchange, Mumbai. Code: 523425
- g. **Demat ISIN No. for Depositories:**  
INE459D01014

**h. Market Price Data:**

High/Low of the Company's Shares traded in the Stock Exchange, Mumbai, during the financial year 2016-2017 is furnished below:

Month & Year	Company's Share Price	
	High (₹)	Low (₹)
April 2016	4.50	4.30
May 2016	4.51	4.29
June 2016	4.29	4.29
July 2016	4.29	4.08
August 2016	4.08	4.08
September 2016	5.12	4.08
October 2016	6.65	5.37
November 2016	6.32	6.32
December 2016	6.32	6.01
January 2017	6.31	6.01
February 2017	6.31	6.31
March 2017	6.31	5.70

**i. Registrar and Transfer Agents:**

In compliance with the SEBI Directive for all listed Companies to have a common agency to handle physical and electronic share registry work the Company has appointed M/s Adroit Corporate Services Pvt. Ltd as the Registrar and Transfer Agents. Accordingly all documents, transfer Deeds, demat requests and other communications in relation thereto should be addressed to the R & T at it's offices 17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400 059.

Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. Officers of the Registrars and Transfer Agents have been authorized to approve transfers in addition to the officers of the Company.

**Distribution of Shareholding as on 31st March, 2017**

No. of Shares	No. of Holders	% to Total	No. of Shares	% to Total
1 to 500	8371	94.38	1231236	23.10
501 to 1000	286	3.22	235749	4.42
1001 to 2000	101	1.14	149290	2.80
2001 to 3000	36	0.41	88689	1.66
3001 to 4000	14	0.16	51607	0.97
4001 to 5000	18	0.20	82230	1.54
5001 To 10000	18	0.20	121080	2.27
10001 and above	26	0.29	3370519	63.24
	<b>8,870</b>	<b>100.00</b>	<b>53,30,400</b>	<b>100.00</b>

## SUNRAJ DIAMOND EXPORTS LTD.

---

### Shareholding Pattern of the Company as on 31st March, 2017

Sr. No.	Holder	No. of Shares Held	% of Total
A	Promoters Holding	19,15,005	35.93
B	Non-Institutional Investors		
a.	Bodies Corporate	61,868	1.16
b.	Indian Public	33,25,027	62.38
c.	NRI's	15,900	0.30
d.	Others	12,600	0.23
	<b>TOTAL</b>	<b>53,30,400</b>	<b>100.00</b>

### Dematerialisation of Shares & Liquidity

As on 31st March, 2017 **71.36%** of the Company's total shares representing 38,03,753 shares were held in dematerialized form.

### Address for Correspondence :

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

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated : 7<sup>th</sup> August, 2017

<b>SUNNY GANDHI</b>	<b>NIRAV SHAH</b>
Executive Director	Executive Director
<b>DIN No. 00695322</b>	<b>DIN No. 02033505</b>

---

## DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of the Listing Agreement the Declaration for Code of Conduct is given below:

To,  
The Members of  
**Sunraj Diamonds Exports Limited**

I, Mr. Sunny Gandhi, Executive Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated: 7<sup>th</sup> August, 2017

<b>SUNNY GANDHI</b>
Executive Director
<b>DIN No. 00695322</b>



**AUDITORS' CERTIFICATE**  
**ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**  
**UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,  
The Members of  
**Sunraj Diamonds Exports Limited**

We have examined the conditions of Corporate Governance by **Sunraj Diamond Exports Limited** for the year ended 31st March, 2017 as stipulated in Clause 49 of the Listing Agreement of the Company with the relevant Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the 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 except in the matter of the composition of the Board of Directors which did not comprise of Independent Directors to the extent of 50% of the Board's strength, as stipulated in the abovementioned Listing Agreement.

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

For **Bhupendra Shroff & Co.**  
Chartered Accountants

Mumbai,  
Date: 7<sup>th</sup> August, 2017

**B. N. Shroff**  
Partner

# SUNRAJ DIAMOND EXPORTS LTD.

---

## INDEPENDENT AUDITOR'S REPORT

To the Members of **SUNRAJ DIAMOND EXPORTS LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Sunraj Diamond Exports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the period ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone 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 and financial performance 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate 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 have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. These 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 of 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 control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required under the Companies (Auditors' Report) Order, 2017 issued by the Company Law Board in terms with section 143(11) of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the said Order.
2. As required u/s. 143(3) of the Companies' Act, 2013, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion 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) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 01st April 2016 and taken on record by the Board of Directors, none of the director is disqualified as on 01st April 2016 from being appointed as director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's 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 1(g) to the financial statements;
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note to Accounts.

For **Bhupendra Shroff & Co.**  
*Chartered Accountants*  
FRN: 101458W

Mumbai,  
Date: 29<sup>th</sup> May, 2017.

**B. N. Shroff**  
*Partner*  
Membership No. 5039

# SUNRAJ DIAMOND EXPORTS LTD.

---

## “Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2017:

### 1. Fixed Assets

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property, hence the clause of the title deeds in respect of immovable properties in the name of the Company is not applicable

### 2. Inventories

- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

### 3. Loans and Advances granted/taken from certain entities

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses (a), (b) and (c) of the order are not applicable to the Company.

### 4. Loan to Directors and investment by Company

In our opinion and according to the information and explanations given to us, the Company has not granted any loan, investment, guarantee and security. Hence provision of section 185 and 186 of the Companies Act, 2013 is not required to be complied with.

### 5. Public Deposits

The Company has not accepted any deposits as defined u/s. 2(31) of the Companies Act, 2013, therefore the issue of the Company following the directives issued by the Reserve Bank of India and provision of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable. Because there is no contravention by the Company the nature of contravention is not reported. The Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal has not passed any order or directive there for the issue of its compliance is not applicable.

### 6. Cost Records

As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

### 7. Statutory Dues

- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes except the following:

<b>Nature of Tax Liability</b>	<b>Amount (₹)</b>	<b>Nature of Dispute / Forum Where the dispute is pending</b>
Income Tax A.Y. 2008-09	28,070	ITAT Appeal
Income Tax A.Y. 2011-12	5,26,130	ITAT Appeal
Income Tax A.Y. 2013-14	1,17,12,740	CIT Appeal
Income Tax A.Y. 2014-15	27,80,755	CIT Appeal

- (c) The Company is not required to transfer any amount to investor education and protection fund, in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under, hence clause (vii)(c) is not applicable.

**8. Dues to Financial Institutions, Banks and Debenture holders**

Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debentureholders. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

**9. Utilization of IPO and further Public Offer**

According to the information and explanations given to us, the Company has not raised money either by means of Initial Public Offer (IPO) or further public offer (including debt instruments). Hence, clause 3(ix) will not be applicable to the company and hence not commented upon.

**10. Frauds Noticed**

Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**11. Approval of Managerial Remuneration**

According to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

**12. Nidhi Company**

Based on our audit procedures and on the information and explanations given by the management, the Company is not a Nidhi Company. Hence clause 3(xii) of the Order is not applicable.

**13. Related Party Transactions**

According to the information and explanations given to us, the Company has complied with sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements as required by the applicable accounting standards.

**14. Private Placement or Preferential Issues**

According to the information and explanations given to us, the Company has made private placement of shares during the year under review. The company has complied with the requirements of Section 42 of the Companies Act, 2013, and the amount raised has been used for the purposes for the purposes for which the funds were raised.

**15. Non - Cash Transactions**

According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Hence clause 3(xv) of the order is not applicable.

**16. Register under RBI Act 1934**

The Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For **Bhupendra Shroff & Co.**  
Chartered Accountants  
FRN: 101458W

**B. N. Shroff**  
Partner

Membership No. 5039

Mumbai,  
Date: 29<sup>th</sup> May, 2017.

## **SUNRAJ DIAMOND EXPORTS LTD.**

---

### **“Annexure B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of Sunraj Diamond Exports Limited**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Sunraj Diamond Exports Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bhupendra Shroff & Co.**  
*Chartered Accountants*  
FRN: 101458W

**B. N. Shroff**  
*Partner*  
Membership No. 5039

Mumbai,  
Date: 29<sup>th</sup> May, 2017.

# SUNRAJ DIAMOND EXPORTS LTD.

## BALANCE SHEET AS ON 31ST MARCH, 2017

<b>EQUITY &amp; LIABILITIES</b>	<b>NOTE No.</b>	<b>AS AT 31.03.2017 ₹</b>	<b>AS AT 31.03.2016 ₹</b>
<b>(1) Shareholders' Funds</b>	17		
(a) Share Capital	17a	<b>53,304,000</b>	53,304,000
(b) Reserves & Surplus	17b	<b>(4,651,290)</b>	18,631,017
<b>(2) Non-Current Liabilities</b>	18		
(a) Long Term Borrowings	18a	<b>14,084,989</b>	7,411,466
(b) Long Term Provisions	18b	<b>7,772,000</b>	7,522,000
<b>(3) Current Liabilities</b>	19		
(a) Short Term Borrowings	19a	<b>85,776,882</b>	77,406,225
(b) Trade payables	19b	<b>29,994,737</b>	42,812,768
(c) Other Current Liabilities	19c	<b>3,252,683</b>	2,673,120
(d) Short Term Provisions	19d	-	250,000
<b>TOTAL</b>		<b>189,534,001</b>	210,010,596
<b>ASSETS</b>			
<b>(4) Non Current Assets</b>	20		
(a) Fixed Assets			
(i) Tangible Assets	20a	<b>2,142,051</b>	3,044,668
(b) Non Current Investments	20b	<b>5,967,100</b>	5,967,100
(c) Deferred Tax Assets (Net)	20c	<b>610,934</b>	545,854
(d) Long Term Loans and Advances	20d	<b>12,191,680</b>	12,158,727
<b>(5) Current Assets</b>	21		
(a) Inventories	21a	<b>3,317,049</b>	6,011,081
(b) Trade Receivables	21b	<b>163,244,068</b>	179,721,133
(c) Cash and Cash Equivalents	21c	<b>1,938,881</b>	2,353,689
(d) Short term Loans and Advances	21d	<b>122,238</b>	208,344
<b>TOTAL</b>		<b>189,534,001</b>	210,010,596

### Notes on Accounts

As per our report attached  
For **BHUPENDRA SHROFF & CO.**  
Chartered Accountants  
Firm No. : 101458W

**(B. N. SHROFF)**  
Partner  
Membership No. : 5039  
Mumbai, 29<sup>th</sup> May, 2017.

For and on behalf of the Board  
**SUNIL GANDHI**  
Director

**SUNNY S. GANDHI**  
Director

Mumbai, 29<sup>th</sup> May, 2017.



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Note No.	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>Revenue</b>			
I Revenue from Operations	22	5,789,057	31,839,906
II Other Income	23	(3,480,299)	10,939,215
III Total Revenue (I+II)		<u>2,308,758</u>	<u>42,779,121</u>
<b>Expenses:</b>			
Cost of material consumed	24	-	-
Purchase of Finished Goods	25	2,589,199	21,197,518
Changes in inventories of finished goods, work in progress and stock in trade	26	2,694,032	10,176,171
Employee benefit expenses	27	4,041,829	4,303,178
Finance cost	28	11,294,218	13,895,381
Depreciation and amortisation expenses	29	946,560	2,244,699
Other Expenses	30	4,071,007	5,705,020
IV <b>Total Expenses</b>		<u>25,636,845</u>	<u>57,521,966</u>
V Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		<u>(23,328,087)</u>	<u>(14,742,845)</u>
VI Exceptional Items	31	(19,300)	3,255,445
VII Profit / (Loss) before extraordinary items and tax (V-VI)		<u>(23,347,387)</u>	<u>(11,487,400)</u>
VIII Extraordinary Items		-	-
IX Profit / (Loss) before tax (VII - VIII)		<u>(23,347,387)</u>	<u>(11,487,400)</u>
X Tax Expenses:	32		
(1) Current Tax		-	250,000
(2) Deferred Tax		(65,080)	(3,196,065)
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		<u>(23,282,307)</u>	<u>(8,541,335)</u>
XII Profit/(Loss) from discontinued Operations		-	-
XIII Tax Expenses of discontinued Operations		-	-
XIV Profit/(Loss) from discontinuing Operations after Tax (XII-XIII)		-	-
XV Profit/(Loss) for the period (XI - XIV)		<u>(23,282,307)</u>	<u>(8,541,335)</u>
XVI Earnings per Equity Share			
(1) Basic		-4.37	-1.60
(2) Diluted		-4.37	-1.60

## Notes on Accounts

As per our report attached  
For **BHUPENDRA SHROFF & CO.**  
Chartered Accountants  
Firm No. : 101458W  
**(B. N. SHROFF)**  
Partner  
Membership No. : 5039  
Mumbai, 29<sup>th</sup> May, 2017.

For and on behalf of the Board  
**SUNIL GANDHI**  
Director  
  
**SUNNY S. GANDHI**  
Director  
Mumbai, 29<sup>th</sup> May, 2017.

# SUNRAJ DIAMOND EXPORTS LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	31.03.2017		31.03.2016	
	₹	₹	₹	₹
<b>I Cash Flow from Operating Activities</b>				
Net Profit before tax from Profit and Loss A/c		(23,347,387)		(11,487,400)
Adjustments for -				
Interest on Loans Paid	11,255,156		4,435,845	
Unrealised Foreign Exchange Loss	3,480,299		(10,879,215)	
Gain on sale of Motor Car	(65,367)		(3,255,445)	
Excess Depreciation written off as per schedule II	-		1,878,812	
Depreciation	946,560	15,616,648	2,244,699	(5,575,305)
<b>Operating Profit before working capital changes</b>		<b>(7,730,739)</b>		<b>(17,062,705)</b>
Adjustments for -				
Trade & other Receivables	12,996,766		39,013,744	
Loans and Advances	119,582		1,059	
Inventories	2,694,032		10,176,171	
Trade & Other Payables	(12,238,269)	3,572,112	(28,717,191)	20,473,783
<b>Cash generated from Operations</b>		<b>(4,158,628)</b>		<b>3,411,078</b>
Less: Direct Taxes Paid (Net of refund of Taxes)	(66,429)	(66,429)	(168,310)	(168,310)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(4,225,057)</b>		<b>3,242,768</b>
<b>II Cash Flow from Investing Activities</b>				
Proceeds from sale of Assets	177,778		14,400,000	
Purchase of Fixed Assets	(156,354)		(17,000)	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>21,424</b>		<b>14,383,000</b>
<b>III Cash from Financial Activities</b>				
Loans Received	36,000,915		82,799,451	
Loans Repaid	(20,956,734)		(96,327,428)	
Dividend & Dividend Distribution Tax Paid	(200)		(400)	
Interest on Loans Paid	(11,255,156)		(4,435,845)	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>3,788,825</b>		<b>(17,964,221)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(414,808)</b>		<b>(338,453)</b>
Cash and Cash Equivalents - Opening Balance		<b>2,353,689</b>		<b>2,692,141</b>
Cash and Cash Equivalents - Closing Balance		<b>1,938,881</b>		<b>2,353,689</b>

### AUDITORS' CERTIFICATE

We have checked the attached Cash flow Statement of SUNRAJ DIAMOND EXPORTS LIMITED, for the year ended 31st March, 2017 from the books maintained by the company in the course of business and has been in accordance therewith.

As per our report attached  
For **BHUPENDRA SHROFF & CO.**  
Chartered Accountants  
Firm No. : 101458W

**(B. N. SHROFF)**  
Partner  
Membership No. : 5039  
Mumbai, 29<sup>th</sup> May, 2017.

For and on behalf of the Board  
**SUNIL GANDHI**  
Director

**SUNNY S. GANDHI**  
Director

Mumbai, 29<sup>th</sup> May, 2017.

**NOTES TO ACCOUNTS**

**1. (a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in compliance with the mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and generally accepted Accounting principles applicable in India (GAAP).

The financial statements are prepared under historical cost convention on accrual basis accordance with the requirements of the Companies Act, 2013.

**(b) FOREIGN CURRENCY TRANSACTIONS**

Foreign transactions that has been entered into by the Company during the year has been accounted as per the exchange rate prevailing as on the date of transaction.

Sales or Purchases accounted during the year are accounted at the rate of exchange as on the date of transaction. Subsequently, when the bills are settled, any gain or loss arising on such transactions are credited or debited to exchange rate fluctuation account.

Closing balances of the foreign parties as on the Balance Sheet date are accounted at the realizable value as on that date. The difference in the account is transferred to exchange rate fluctuation account.

**(c) REVENUE RECOGNITION**

**Sale of Goods:**

Revenue from sale of goods is recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods and is stated net of returns, trade discounts, claims, etc.

**(d) RELATED PARTY DISCLOSURES**

**Companies in which Directors are interested**

- Sunraj Investment & Finance Pvt. Ltd.
- K.D. Shah Investments Pvt. Ltd.

**Management / Directors**

- Sunil C. Gandhi
- Sunny S. Gandhi
- Nirav K. Shah

**Shareholders**

- Nirav K. Shah (HUF)

## SUNRAJ DIAMOND EXPORTS LTD.

### Account Balances of Related Parties

Name of Person	Opening Credit Balance as on 01.04.2016	Transactions during the year (Net)	Closing Credit Balance as on 31.03.2017	Maximum Outstanding
Sunny Gandhi	1,40,42,632	1,36,30,262	2,76,72,894	2,76,72,894
Sunil Gandhi	8,23,322	(3,26,238)	4,97,084	8,32,322
K.D.Shah Invesment Pvt. Ltd.	6,99,51,737	(4,79,844)	6,94,71,893	7,41,03,388

### Transactions with Related Parties

Name of Party	Relationship	Transaction	Amount (₹)
Sunny Gandhi	Director	Remuneration	650,000/-
Nirav Shah	Director	Remuneration	975,000/-
K. D. Shah Invesment Pvt. Ltd.	Related Concern	Interest Paid	1,12,55,156/-

### (e) EARNING PER SHARE

	2016-2017 ₹	2015-2016 ₹
(i) Profit / (Loss) after Tax	(2,32,82,307)	(85,41,335)
(ii) Less : Short Provision for Tax of earlier years	(NIL)	(NIL)
	<u>(2,32,82,307)</u>	<u>(85,41,335)</u>
	<u>Nos.</u>	<u>Nos.</u>
(iii) Weighted average number of Ordinary Shares for Basic EPS	53,30,400	53,30,400
Less : Calls in Arrears (Proportionate)	-	-
	<u>53,30,400</u>	<u>53,30,400</u>
(iv) Nominal Value of Ordinary Share	₹ 10/-	₹ 10/-
(v) Basic/Diluted Earnings per Share	₹ -4.37	₹ -1.60

### (f) DEFERRED TAXATION

Deferred Tax Asset for the year is ₹ 65,080/-.

### (g) CONTINGENT LIABILITIES:

The company has a contingent liability of income tax of ₹ 28,070 in respect for A.Y. 2008-2009, ₹ 5,26,130 in respect for A.Y. 2011-2012, ₹ 1,17,12,740 in respect for A.Y. 2013-2014 and ₹ 27,80,755 in respect for A.Y. 2014-2015.

**(h) MANAGERIAL REMUNERATION:**

Managerial Remuneration U/s 197 of the Companies Act, 2013, to the Managing Director.

	2016-17 ₹	2015-16 ₹
Salaries & Bonus	<b>16,25,000</b>	16,25,000
Perquisites	<b>NIL</b>	NIL

2. Inventories are valued at cost or market value whichever is less.
3. There is no Small Scale Industrial undertakings in respect of which amounts due exceeds Rs. 1 lakh each and is outstanding for more than 30 days. Information regarding Small Scale Industrial undertakings is disclosed on the basis of information available with the Company regarding the status of suppliers as defined under section 3(j) of the Industrial (Development and Regulation) Act, 1951.
4. No provision for doubtful debts is made on long outstanding debtors, as the management is hopeful of realizing the same.
5. Licensed capacity - Not Applicable.

**6. RAW MATERIALS CONSUMED**

Item	Quantity in Carats	Value ₹
Rough Diamonds (Previous Year)	NIL (NIL)	NIL (NIL)
Synthetic Diamonds (Previous Year)	NIL (NIL)	NIL (NIL)
		<b>NIL</b> (NIL)

**7. C.I.F. VALUE OF IMPORTS**

	Current Year ₹	Previous Year ₹
Raw Materials	NIL	NIL

**8. VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL CONSUMED AS % OF TOTAL CONSUMPTION**

	Current Year		Previous Year	
	₹	%	₹	%
Imported	NIL	NIL	NIL	NIL
Indigenous	NIL	NIL	NIL	NIL
	<b>NIL</b>	<b>NIL</b>	NIL	NIL

## SUNRAJ DIAMOND EXPORTS LTD.

### 9. EXPENDITURE IN FOREIGN EXCHANGE

Foreign Travelling Expenditure ₹ 2,18,768/- (Previous year ₹ 96,568/-)

### 10. EARNING IN FOREIGN EXCHANGE

Exchange Difference - ₹ (34,80,299) /- (Previous year F.O.B. Value of Exports and Exchange Difference - ₹ 1,08,79,215 /-).

### 11. STOCK & TURNOVER

Standalone Stock Statement as on 31.03.2017

Items	Units	Opening Stock		Closing Stock		Turnover/Consumption	
		Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
<b>Finished Goods</b>							
Cut & Polished Diamonds	Cts	<b>77.53</b> <i>(205.49)</i>	<b>2,790,863</b> <i>(5,073,291)</i>	<b>9.62</b> <i>(77.53)</i>	<b>96,831</b> <i>(2,790,863)</i>	<b>207.01</b> <i>(2,034.35)</i>	<b>8,635,684</b> <i>(29,505,832)</i>
Jewellery	Gms	<b>NIL</b> <i>(1,519.58)</i>	<b>NIL</b> <i>(4,347,152)</i>	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> <i>(1,519.58)</i>	<b>NIL</b> <i>(6,894,900)</i>
Jewellery	Nos.	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> <i>(1.00)</i>	<b>NIL</b> <i>(905,000)</i>
Emerald Cut & Polished Stones	Cts	<b>NIL</b> <i>(103.34)</i>	<b>NIL</b> <i>(365,066)</i>	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> <i>(103.34)</i>	<b>NIL</b> <i>(413,360)</i>
Synthetic Crystals	Cts	<b>185.07</b> <i>(185.07)</i>	<b>3,220,218</b> <i>(6,401,742)</i>	<b>185.07</b> <i>(185.07)</i>	<b>3,220,218</b> <i>(3,220,218)</i>	<b>NIL</b> NIL	<b>NIL</b> NIL
<b>Raw Materials</b>							
Rough Diamonds	Cts	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL
Synthetic Rought Diamonds	Cts	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL

*Previous year figures are given in Italics.*

### 12. INVESTMENTS:

Investments are classified into Non- Current and Current Investments.

Non-Current investments are carried at cost, provision for diminution, if any, in the value of each non-current investment is made to recognize a decline other than of a temporary nature.

Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

### 13. BORROWINGS:

Loans and advances from related parties are from Directors and/or firms in which directors are interested. These loans are Quasi-equity by nature and their terms of repayment are not defined, however from past conduct they are payable at the convenience of the Company, hence these loans are classified as Long or Short term borrowings.

14. Balance in Trade Receivables, Trade Creditors and Loans are subject to confirmation from the respective parties.

- 15.** Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 provided in the Table below:-

<b>Particulars</b>	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
	<b>(₹)</b>	<b>(₹)</b>	<b>(₹)</b>
Closing Cash in hand as on 08-11-2016	8,80,000	4,991	8,84,991
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	1,116	1,116
Less: Amount deposited in Banks	8,80,000	-	8,80,000
Closing Cash in hand as on 30-12-2016	-	3,875	3,875

- 16.** The previous year's figures are regrouped wherever necessary.

As per our report attached  
 For **BHUPENDRA SHROFF & CO.**  
*Chartered Accountants*  
 Firm No. : 101458W

**(B. N. SHROFF)**  
*Partner*  
 Membership No. : 5039  
 Mumbai, 29<sup>th</sup> May, 2017.

For and on behalf of the Board  
**SUNIL GANDHI**  
*Director*

**SUNNY S. GANDHI**  
*Director*

Mumbai, 29<sup>th</sup> May, 2017.

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>17 Shareholders' Fund</b>		
<b>17a Share Capital</b>		
The details of Authorised, Issued, Subscribed and paid up, capital as under :-		
Authorised		
8,000,000 Equity Shares of ₹ 10/- each	<b>80,000,000</b>	80,000,000
Issued, Subscribed & Paid-up		
Opening Balance (5,330,400 Equity Shares of ₹ 10/- each)	<b>53,304,000</b>	53,304,000
Add: Issued during the year	-	-
Less: Shares Forfeited	-	-
	<b>53,304,000</b>	53,304,000
The details of shareholders holding more than 5% equity shares as at the reporting date are as under :-		
Name of the Shareholders	No. of Shares held & % of holding	No. of shares held & % of holding
Sunny Sunil Gandhi	13,20,800 Sh - 24.78%	13,20,800 Sh - 24.78%
Gunvanti Chandrakant Gandhi	3,75,000 Sh - 7.04%	3,75,000 Sh - 7.04%
<b>17b Reserves and Surplus</b>		
<b>Capital Reserves:</b>		
Capital Reserve	<b>598,000</b>	598,000
Add: Addition during the year	-	-
Closing Balance A	<b>598,000</b>	598,000
<b>Revenue Reserve:</b>		
General Reserve	<b>569,718</b>	569,718
Add: Transfer from Profit & Loss Account	-	-
Closing Balance B	<b>569,718</b>	569,718
<b>Surplus in Profit &amp; Loss Account</b>		
Opening Balance	<b>17,463,299</b>	26,004,634
Add: Surplus / (Defecit) in Profit and Loss for the year	<b>(23,282,307)</b>	(8,541,335)
Closing Balance C	<b>(5,819,008)</b>	17,463,299
Total (B + C)	<b>(5,249,290)</b>	18,033,017
Total (A + B + C)	<b>(4,651,290)</b>	18,631,017



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>18 Non Current Liabilities</b>		
<b>18a Long Term Borrowings</b>		
<b>Unsecured Borrowings</b>		
Loans From Directors	14,084,989	7,411,466
Total	<u>14,084,989</u>	<u>7,411,466</u>
<b>18b Long Term Provisions</b>		
Provision for Tax	7,772,000	7,522,000
	<u>7,772,000</u>	<u>7,522,000</u>
<b>19 Current Liabilities</b>		
<b>19a Short Term Borrowings</b>		
<b>Unsecured Borrowings</b>		
- Loans and advances from related parties	69,471,893	69,951,737
- Loans and advances from Company	2,220,000	-
- Loans From Directors	14,084,989	7,454,488
	<u>85,776,882</u>	<u>77,406,225</u>
Total	<u>85,776,882</u>	<u>77,406,225</u>
<b>19b Trade Payable</b>	<u>29,994,737</u>	42,812,768
	<u>29,994,737</u>	<u>42,812,768</u>
<b>19c Other Current Liabilities</b>		
Other Payables		
TDS Payable	49,619	42,364
Unclaimed Dividend Payable *	1,795,357	1,795,557
Sundry Creditors for Expenses	1,391,044	827,283
Other Payables	16,662	7,915
	<u>3,252,683</u>	<u>2,673,120</u>
<b>19d Short Term Provisions</b>		
Provision for Tax	-	250,000
	<u>-</u>	<u>250,000</u>

\*Investor Education and Protection Fund to be credited by the amount as and when required.

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 20 Non Current Assets

#### Fixed Assets

#### 20a Tangible Assets

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as 1.4.2016 ₹	Addition ₹	Deduction ₹	Cost as 31.3.2017 ₹	As on 1.4.2016 ₹	For the year ₹	On Deduction ₹	Up to 31.3.2017 ₹	As at 31.3.2017 ₹	As at 31.3.2016 ₹
Vehicles	9,916,801	-	2,248,211	7,668,590	7,020,660	910,644	2,135,800	5,795,504	1,873,086	2,896,141
Furniture & Fixture	886,016	64,710	-	950,726	841,715	6,148	-	847,863	102,863	44,301
Office Equipments	1,213,760	91,644	-	1,305,404	1,109,534	29,768	-	1,139,302	166,102	104,226
<b>TOTAL</b>	<b>12,016,577</b>	<b>156,354</b>	<b>2,248,211</b>	<b>9,924,720</b>	<b>8,971,909</b>	<b>946,560</b>	<b>2,135,800</b>	<b>7,782,670</b>	<b>2,142,051</b>	<b>3,044,668</b>

#### ACCOUNTING OF DEPRECIATION

Depreciation is provided on Fixed Assets on Straight Line Basis in accordance with Schedule II of the Companies Act, 2013.

#### ACCOUNTING FOR FIXED ASSETS

All Fixed Assets are valued at cost less Depreciation

	<b>AS AT 31.03.2017 ₹</b>	<b>AS AT 31.03.2016 ₹</b>
<b>20b Non Current Investments</b>		
Investments in Equity Instruments	<b>15,000</b>	15,000
a. Rander Peoples' Co-op. Bank Limited 150 (Previous Year 150) Equity Shares of ₹ 100/- each fully paid up		
b. Investments in Share Capital of Subsidiary Company (100%) Sunraj Diamond DMCC	<b>5,952,100</b>	5,952,100
	<b>5,967,100</b>	5,967,100
Further Details		
Aggregate value of quoted investments and market value	-	-
Aggregate amount of unquoted investments	<b>5,967,100</b>	5,967,100
Aggregate provision for diminution in value of investments	-	-
	<b>5,967,100</b>	5,967,100
<b>Accounting for Investments</b>		
Investments are stated at cost of acquisition.		
<b>20c Deferred Tax Assets (Net)</b>	<b>610,934</b>	545,854
	<b>610,934</b>	545,854
<b>20d Long Term Loans and Advances</b>		
(a) Capital Advances;	<b>2,702,430</b>	2,775,906
(b) Security Deposits;	<b>299,800</b>	259,800
(d) Other Loans and Advances (Income Taxes).	<b>9,189,450</b>	9,123,021
	<b>12,191,680</b>	12,158,727
(ii) The above shall also be separately sub-classified as:		
(b) Unsecured, considered good;	<b>12,191,680</b>	10,669,705
	<b>12,191,680</b>	10,669,705

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>21 Current Assets</b>		
<b>21a Inventories</b>		
(a) Inventories		
Raw Materials (At cost including incidental expenses incurred for its acquisition)	-	-
Finished Goods (At cost or market value whichever is lower)	<b>3,317,049</b>	6,011,081
	<b>3,317,049</b>	6,011,081
Items of inventory are valued on the basis given below:		
(i) Raw Materials: - At cost including incidental expenses incurred for its acquisitions.		
(ii) Finished Goods: - At cost or market value whichever is lower.		
<b>21b Trade Receivables</b>		
Outstanding For More than six months	<b>163,062,414</b>	179,721,133
Less than six months	<b>181,654</b>	-
	<b>163,244,068</b>	179,721,133
Sub-classified		
Unsecured, considered good	<b>163,244,068</b>	179,721,133
	<b>163,244,068</b>	179,721,133
<b>21c Cash and Cash equivalent</b>		
(a) Cash and Cash equivalent		
Balances with Banks	<b>1,874,450</b>	1,886,313
Cash on hand	<b>64,431</b>	467,376
	<b>1,938,881</b>	2,353,689
<b>21d Short Term Loans and Advances</b>		
(a) Other Loans and Advances (specify nature)		
Prepaid Insurance	<b>33,238</b>	90,544
Others Advances	-	52,800
Loan to Staff	<b>89,000</b>	65,000
	<b>122,238</b>	208,344
Sub-classified		
Secured, considered good	-	-
Unsecured, considered good	<b>122,238</b>	208,344

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>22 Revenue from Operations</b>		
(a) Sale of Products	5,789,057	31,839,906
	<u>5,789,057</u>	<u>31,839,906</u>
<b>23 Other Income</b>		
(a) Other non-operating Income	-	60,000
(b) Exchange Difference	(3,480,299)	10,879,215
	<u>(3,480,299)</u>	<u>10,939,215</u>
<b>24 Cost of Materials Consumed</b>		
Opening Stock of Rough Diamonds	-	-
Add: Purchases during the year	-	-
Less: Closing Stock of Rough Diamonds	-	-
	<u>-</u>	<u>-</u>
<b>25 Purchase of Finished Goods</b>	2,589,199	21,197,518
(Cut and Polished Diamonds, Gold Jewellery & Pearls)		
<b>26 Changes in inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
Finished Goods (Cut & Polished Diamonds)		
Closing Stocks	3,317,049	6,011,081
Less: Opening Stocks	6,011,081	16,187,252
	<u>2,694,032</u>	<u>10,176,171</u>
<b>27 Employee Benefit Expenses</b>		
(1) Salaries and Wages	2,280,000	2,515,500
(2) Directors Remuneration	1,625,000	1,625,000
(3) Staff Welfare Expenses	136,829	162,678
	<u>4,041,829</u>	<u>4,303,178</u>
<b>28 Finance Cost</b>		
(1) Interest Expenses	11,255,156	4,435,845
(2) Other Borrowing Cost	39,062	9,459,536
	<u>11,294,218</u>	<u>13,895,381</u>
<b>29 Depreciation and Amortisation Cost</b>		
Deprecation on Fixed Assets	946,560	2,244,699

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>30 Other Expenses</b>		
Advertisement and Sales Promotion	-	53,111
Publishing Expense	<b>31,607</b>	-
Rates and Taxes, excluding taxes on income	-	-
Directors Sitting Fees	<b>8,000</b>	-
Depository Fees	<b>16,628</b>	-
Audit Fees	<b>172,500</b>	230,000
Office Expense	<b>64,968</b>	55,759
Brokerage & Commission	<b>9,345</b>	-
Conveyance & Travelling Expenses - Local	<b>57,979</b>	58,187
Insurance	<b>127,236</b>	177,444
Legal & Professional Fees	<b>484,258</b>	381,564
Listing Fees	<b>235,423</b>	237,080
Membership & Subscription	<b>78,694</b>	148,908
Other Expenses	<b>122,988</b>	49,780
Postage, Telephone & telex	<b>446,349</b>	522,036
Printing & Stationery	<b>95,404</b>	205,801
Registration & Trf Agent Fees	<b>38,680</b>	59,633
Electricity Charges	<b>26,126</b>	70,374
AC Charges	<b>69,773</b>	-
Rent & Maintenance Charges	<b>1,245,948</b>	954,157
Travelling Expenses-Foreign	<b>218,768</b>	96,568
Vehicle Expenses	<b>520,333</b>	525,805
Excess Depreciation written off as per Schedule II as per Companies Act 2013	-	1,878,812
	<b>4,071,007</b>	<b>5,705,020</b>
<b>31 Exceptional Items</b>		
(1) Gain on Disposal of items of Fixed Assets	<b>65,367</b>	3,255,445
(2) Prior Period Item	<b>(84,667)</b>	-
	<b>(19,300)</b>	3,255,445
<b>32 Tax Expenses</b>		
Current Tax	-	250,000
Add: Excess / Short provisions of taxes	-	-
	-	250,000
Deferred Tax	<b>(65,080)</b>	(3,196,065)
	<b>(65,080)</b>	(2,946,065)

# SUNRAJ DIAMOND EXPORTS LTD.

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES

### Form AOC-1

(Pursuant to first provision to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

### Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. Particulars No.	Details
1. Name of the Subsidiary	: Sunraj Diamonds DMCC
2. Reporting period for the subsidiary concerned	: 31st March, 2017
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	: Reporting Currency - USD Exchange Rate - USD 1 = ₹ 64.84
4. Share Capital	: ₹ 59,13,259
5. Reserves & Surplus	: ₹ 2,72,09,454
6. Total Assets	: ₹ 3,65,41,806
7. Total Liabilities	: ₹ 41,11,671
8. Investments	: NIL
9. Turnover	: NIL
10. Profit before Taxation	: (₹ 13,52,214)
11. Provision for Taxation	: NIL
12. Profit after Taxation	: (₹ 13,52,214)
13. Proposed Dividend	: NIL
14. % of Shareholding	: 100%

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated : 7<sup>th</sup> August, 2017

**SUNIL GANDHI**  
Director

**SUNNY GANDHI**  
Director

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **SUNRAJ DIAMOND EXPORTS LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **SUNRAJ DIAMOND EXPORTS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary **SUNRAJ DIAMOND DMCC** (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities 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. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk

## **SUNRAJ DIAMOND EXPORTS LTD.**

---

assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that 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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2017, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

### **Other Matters**

(a) We did not audit the financial statements / financial information of Sunraj Diamond DMCC subsidiary, whose financial statements / financial information reflect total assets of ₹ 3,65,41,806/- as at 31st March, 2017. For the year ended on that date, no revenue has been considered in the consolidated financial statements. The consolidated financial statements include the Group's share of net loss of ₹ 13,52,214/- for the year ended 31st March, 2017, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group. Refer Note No. 3 to the consolidated financial statements
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary company.
  - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the holding Company and as produced to us by the Management - Refer Note to Accounts.

For **Bhupendra Shroff & Co.**  
*Chartered Accountants*  
FRN: 101458W

**B. N. Shroff**  
*Partner*

Mumbai,  
Date: 29<sup>th</sup> May, 2017.

Membership No. 5039

# SUNRAJ DIAMOND EXPORTS LTD.

---

## **“Annexure A” to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Sunraj Diamond Exports Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Sunraj Diamond Exports Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **Bhupendra Shroff & Co.**  
*Chartered Accountants*  
FRN: 101458W

**B. N. Shroff**  
*Partner*

Membership No. 5039

Mumbai,  
Date: 29<sup>th</sup> May, 2017.

# SUNRAJ DIAMOND EXPORTS LTD.

## CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2017

<b>EQUITY &amp; LIABILITIES</b>	<b>NOTE No.</b>	<b>AS AT 31.03.2017 ₹</b>	<b>AS AT 31.03.2016 ₹</b>
<b>(1) Shareholders' Funds</b>	17		
(a) Share Capital	17a	<b>53,304,000</b>	53,304,000
(b) Reserves & Surplus	17b	<b>21,798,181</b>	47,192,685
<b>(2) Non-Current Liabilities</b>	18		
(a) Long Term Borrowings	18a	<b>14,084,989</b>	7,411,466
(b) Long Term Provisions	18b	<b>7,772,000</b>	7,522,000
<b>(3) Current Liabilities</b>	19		
(a) Short Term Borrowings	19a	<b>85,844,287</b>	77,475,179
(b) Trade payables	19b	<b>29,994,737</b>	84,272,441
(c) Other Current Liabilities	19c	<b>7,364,354</b>	5,686,537
(d) Short Term Provisions	19d	-	250,000
<b>TOTAL</b>		<b>220,162,548</b>	<b>283,114,308</b>
<b>ASSETS</b>			
<b>(4) Non Current Assets</b>	20		
(a) Fixed Assets			
(i) Tangible Assets	20a	<b>2,142,051</b>	3,044,668
(ii) Intangible Assets	20a	<b>38,841</b>	38,841
(b) Non Current Investments	20b	<b>15,000</b>	15,000
(c) Deferred Tax Assets (Net)	20c	<b>610,934</b>	545,854
(d) Long Term Loans and Advances	20d	<b>12,209,343</b>	12,176,796
<b>(5) Current Assets</b>	21		
(a) Inventories	21a	<b>3,317,049</b>	6,011,081
(b) Trade Receivables	21b	<b>193,048,306</b>	251,669,932
(c) Cash and Cash Equivalents	21c	<b>2,498,986</b>	3,102,442
(d) Short term Loans and Advances	21d	<b>6,282,038</b>	6,509,694
<b>TOTAL</b>		<b>220,162,548</b>	<b>283,114,308</b>

### Notes on Accounts

As per our report attached  
For **BHUPENDRA SHROFF & CO.**  
Chartered Accountants  
Firm No. : 101458W

**(B. N. SHROFF)**

Partner

Membership No. : 5039

Mumbai, 29<sup>th</sup> May, 2017.

For and on behalf of the Board

**SUNIL GANDHI**

Director

**SUNNY S. GANDHI**

Director

Mumbai, 29<sup>th</sup> May, 2017.

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

PARTICULARS	Note No.	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>Revenue</b>			
I Revenue from Operations	22	5,789,057	31,839,906
II Other Income	23	(4,240,282)	12,887,905
III Total Revenue (I+II)		<u>1,548,775</u>	<u>44,727,811</u>
<b>Expenses:</b>			
Cost of material consumed	24	-	-
Purchase of Finished Goods	25	2,589,199	21,197,518
Changes in inventories of finished goods, work in progress and stock in trade	26	2,694,032	10,176,171
Employee benefit expenses	27	4,041,829	4,303,178
Finance cost	28	11,467,898	13,970,492
Depreciation and ammortisation expenses	29	946,560	2,244,699
Other Expenses	30	5,249,542	6,642,880
IV <b>Total Expenses</b>		<u>26,989,059</u>	<u>58,534,939</u>
V Profit / (Loss) before exception and extraordinary items and tax (III-IV)		<u>(25,440,284)</u>	<u>(13,807,128)</u>
VI Exceptional Items	31	(19,300)	3,255,445
VII Profit / (Loss) before extraordinary items and tax (V-VI)		<u>(25,459,584)</u>	<u>(10,551,683)</u>
VIII Extraordinary Items		-	-
IX Profit / (Loss) before tax (VII - VIII)		<u>(25,459,584)</u>	<u>(10,551,683)</u>
X Tax Expenses:	32		
(1) Current Tax		-	250,000
(2) Deferred Tax		(65,080)	(3,196,065)
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		<u>(25,394,504)</u>	<u>(7,605,618)</u>
XII Profit/(Loss) from discontinued Operations		-	-
XIII Tax Expenses of discontinued Operations		-	-
XIV Profit/(Loss) from discontinuing Operations after Tax (XII-XIII)		-	-
XV Profit/(Loss) for the period (XI - XIV)		<u>(25,394,504)</u>	<u>(7,605,618)</u>
XVI Earnings per Equity Share			
(1) Basic		(4.76)	(1.43)
(2) Diluted		(4.76)	(1.43)

## Notes on Accounts

As per our report attached  
For **BHUPENDRA SHROFF & CO.**  
Chartered Accountants  
Firm No. : 101458W

**(B. N. SHROFF)**

Partner

Membership No. : 5039

Mumbai, 29<sup>th</sup> May, 2017.

For and on behalf of the Board

**SUNIL GANDHI**

Director

**SUNNY S. GANDHI**

Director

Mumbai, 29<sup>th</sup> May, 2017.

# SUNRAJ DIAMOND EXPORTS LTD.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	31.03.2017		31.03.2016	
	₹	₹	₹	₹
<b>I Cash Flow from Operating Activities</b>				
Net Profit before tax from Profit and Loss A/c		(25,459,584)		(10,551,683)
Adjustments for -				
Interest on Loans Paid	11,255,156		4,435,845	
Unrealised Foreign Exchange	3,480,299		(10,879,215)	
Gain on sale of Office Premises	(65,367)		(3,255,445)	
Excess Depreciation written off as per schedule II	-		1,878,812	
Depreciation	946,560	15,616,648	2,244,699	(5,575,304)
<b>Operating Profit before working capital changes</b>		<b>(9,842,936)</b>		<b>(16,126,987)</b>
Adjustments for -				
Trade & other Receivables	55,141,327		35,000,321	
Loans and Advances	261,538		(351,449)	
Inventories	2,694,032		10,176,171	
Trade & Other Payables	(52,599,687)	5,497,211	(25,219,900)	19,605,142
<b>Cash generated from Operations</b>		<b>(4,345,726)</b>		<b>3,478,155</b>
Less: Direct Taxes Paid (Net of refund of Taxes)	(66,429)	(66,429)	(168,310)	(168,310)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(4,412,155)</b>		<b>3,309,845</b>
<b>II Cash Flow from Investing Activities</b>				
Proceeds from sale of Assets	177,778		14,400,000	
Purchase of Fixed Assets	(156,354)		(17,000)	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>21,424</b>		<b>14,383,000</b>
<b>III Cash from Financial Activities</b>				
Loans Received	36,000,915		82,799,451	
Loans Repaid	(20,958,283)		(96,323,583)	
Dividend & Dividend Distribution Tax Paid	(200)		(400)	
Interest on Loans Paid	(11,255,156)		(4,435,845)	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>3,787,276</b>		<b>(17,960,377)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(603,455)</b>		<b>(267,532)</b>
Cash and Cash Equivalents - Opening Balance		<b>3,102,442</b>		<b>3,369,974</b>
Cash and Cash Equivalents - Closing Balance		<b>2,498,986</b>		<b>3,102,442</b>

### AUDITORS' CERTIFICATE

We have checked the attached Cash Flow Statement of SUNRAJ DIAMOND EXPORTS LIMITED, for the year ended 31st March, 2017 from the books maintained by the company in the course of business and has been in accordance therewith.

As per our report attached  
For **BHUPENDRA SHROFF & CO.**  
Chartered Accountants  
Firm No. : 101458W

**(B. N. SHROFF)**  
Partner  
Membership No. : 5039  
Mumbai, 29<sup>th</sup> May, 2017.

For and on behalf of the Board  
**SUNIL GANDHI**  
Director

**SUNNY S. GANDHI**  
Director

Mumbai, 29<sup>th</sup> May, 2017.

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON MARCH 31, 2017**

**1. Basis for Preparation of Consolidated Financial Accounts**

- (a) The consolidated financial statement relates to Sunraj Diamond Exports Ltd. (Holding Company) and its subsidiary "Sunraj Diamonds DMCC" has been prepared in compliance with the applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provision of the Companies Act, 2013.
- (b) The consolidated financial statement has been prepared under historical cost convention on an accrual basis.

**2. Principle of Consolidation**

- (a) The Subsidiary considered in the financial statement is :

Name of Subsidiary	Country of Incorporation	Ownership Interest / Voting Power	Financial Period
Sunraj Diamonds DMCC	Dubai	100%	April 16 to March 17

- (b) The Consolidated financial statement has been prepared on the following basis.
  - (i) The consolidated financial statement has been prepared in accordance with the Accounting Standard 21, - "Consolidated Financial Statement" issued by The Institute of Chartered Accountants of India.
  - (ii) The financial statements of SDEL Group have been consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
  - (iii) The consolidated financial statement has been prepared by using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as those of the parent company's independent financial statements unless stated otherwise.
  - (iv) The operations of foreign subsidiary have been considered by the management, as non integral operations as described Accounting Standard - AS 11 (revised) "Accounting for the effects of changes in foreign exchange rates" issued by ICAI.
  - (v) The difference between the cost to the company of its investments in the subsidiary and its portion of equity of subsidiary at the date it became subsidiary is recognized in the financial statement as Goodwill or Capital Reserve, as the case may be. This is based upon determination of pre-acquisition profits/losses and of net worth on the date of acquisition determined by the management on the basis of certain estimates which have been relied upon by the auditors.
  - (vi) There is no minority interest identified and recognized in the consolidated financial statement.
  - (vii) As per requirement of AS-28 "Impairment of Assets" issued by ICAI, the management is of the opinion that there is no impairment of goodwill (on consideration) except as provided in the financial statement.
  - (viii) The exchange difference amounting to ₹ 7,59,983 on conversion of all the assets and liabilities of the foreign subsidiary as on Balance Sheet date has been debited to 'Exchange Difference' appearing in Schedule 23 - Other Income.

## SUNRAJ DIAMOND EXPORTS LTD.

- (ix) The financial statements of Sunraj Diamonds DMCC for the period April 2016 to March 2017 have been prepared & are audited as per the generally accepted principles (GAAP) of the country in which it operates, and the same is being considered for the purpose of consolidation.
- (x) Other significant accounting policies are as set out in standalone financial statement of Sunraj Diamond Exports Ltd, to the extent applicable.

### 3. CONTINGENT LIABILITIES

The company has a contingent liability of income tax of ₹ 28,070 in respect for A.Y. 2008-2009, ₹ 5,26,130 in respect for A.Y. 2011-2012, ₹ 1,17,12,740 in respect for A.Y. 2013-2014 and ₹ 27,80,755 in respect for A.Y. 2014-2015.

### CONSOLIDATED STOCK STATEMENT AS ON 31.03.2017

Items	Units	Opening Stock		Closing Stock		Turnover/Consumption	
		Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
<b>Finished Goods</b>							
Cut & Polished Diamonds	Cts	<b>77.53</b> <i>(205.49)</i>	<b>2,790,863</b> <i>(5,073,291)</i>	<b>9.62</b> <i>(77.53)</i>	<b>96,831</b> <i>(2,790,863)</i>	<b>207.01</b> <i>(2,034.35)</i>	<b>8,635,684</b> <i>(29,505,832)</i>
Jewellery	Gms	<b>NIL</b> <i>(1,519.58)</i>	<b>NIL</b> <i>(4,347,152)</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>(1,519.58)</i>	<b>NIL</b> <i>(6,894,900)</i>
Jewellery	Nos.	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>(1.00)</i>	<b>NIL</b> <i>(905,000)</i>
Emerald Cut & Polished Stones	Cts	<b>NIL</b> <i>(103.34)</i>	<b>NIL</b> <i>(365,066)</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>(103.34)</i>	<b>NIL</b> <i>(413,360)</i>
Synthetic Crystals	Cts	<b>185.07</b> <i>(185.07)</i>	<b>3,220,218</b> <i>(6,401,742)</i>	<b>185.07</b> <i>(185.07)</i>	<b>3,220,218</b> <i>(3,220,218)</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>
<b>Raw Materials</b>							
Rough Diamonds	Cts	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>
Synthetic Rought Diamonds	Cts	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>	<b>NIL</b> <i>NIL</i>

*Previous year figures are given in Italics.*

As per our report attached  
For **BHUPENDRA SHROFF & CO.**  
Chartered Accountants  
Firm No. : 101458W

**(B. N. SHROFF)**  
Partner  
Membership No. : 5039  
Mumbai, 29<sup>th</sup> May, 2017.

For and on behalf of the Board  
**SUNIL GANDHI**  
Director

**SUNNY S. GANDHI**  
Director

Mumbai, 29<sup>th</sup> May, 2017.



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>17 Shareholders' Fund</b>		
<b>17a Share Capital</b>		
The details of Authorised, Issued, Subscribed and paid up, capital as under :-		
<b>Authorised</b>		
8,000,000 Equity Shares of ₹ 10/- each	<b>80,000,000</b>	80,000,000
<b>Issued, Subscribed &amp; Paid-up</b>		
Opening Balance (5,330,400 Equity Shares of ₹ 10/- each)	<b>53,304,000</b>	53,304,000
Add: Issued during the year	-	-
Less: Shares Forfeited	-	-
<b>Closing Balance</b>	<b>53,304,000</b>	53,304,000
The details of shareholders holding more than 5% equity shares as at the reporting date are as under :-		
Name of the Shareholders	No. of Shares held & % of holding	No. of shares held & % of holding
Sunny Sunil Gandhi	13,20,800 Sh - 24.78%	13,20,800 Sh - 24.78%
Gunvanti Chandrakant Gandhi	3,75,000 Sh - 7.04%	3,75,000 Sh - 7.04%
<b>17b Reserves and Surplus</b>		
<b>Capital Reserves:</b>		
Capital Reserve	<b>598,000</b>	598,000
Add: Addition during the year	-	-
<b>Closing Balance A</b>	<b>598,000</b>	598,000
<b>Revenue Reserve:</b>		
General Reserve	<b>569,718</b>	569,718
Add: Transfer from Profit & Loss Account	-	-
<b>Closing Balance B</b>	<b>569,718</b>	569,718
<b>Surplus in Profit &amp; Loss Account</b>		
Opening Balance	<b>46,024,967</b>	53,630,585
Add: Surplus / (Defecit) in Profit and Loss for the year	<b>(25,394,504)</b>	(7,605,618)
<b>Closing Balance C</b>	<b>20,630,463</b>	46,024,967
<b>Total (B + C)</b>	<b>21,200,181</b>	46,594,685
<b>Total (A + B + C)</b>	<b>21,798,181</b>	47,192,685

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>18 Non Current Liabilities</b>		
<b>18a Long Term Borrowings</b>		
<b>Unsecured Borrowings</b>		
Loans From Directors	14,084,989	7,411,466
Total	<u>14,084,989</u>	<u>7,411,466</u>
<b>18b Long Term Provisions</b>		
Provision for Tax	7,772,000	7,522,000
	<u>7,772,000</u>	<u>7,522,000</u>
<b>19 Current Liabilities</b>		
<b>19a Short Term Borrowings</b>		
<b>Unsecured Borrowings</b>		
- Loans and advances from related parties	69,471,893	69,951,737
- Loans and advances from Company	2,220,000	-
- Loans From Directors	14,152,394	7,523,442
Total	<u>85,844,287</u>	<u>77,475,179</u>
<b>19b Trade Payable</b>	29,994,737	84,272,441
	<u>29,994,737</u>	<u>84,272,441</u>
<b>19c Other Current Liabilities</b>		
Other Payables		
Current Maturity of long term debts		
TDS Payable	49,619	42,364
Unclaimed Dividend Payable *	1,795,358	1,795,558
Sundry Creditors for Expenses	5,502,715	3,840,700
Security Deposits	-	-
Other Payables	16,662	7,915
	<u>7,364,354</u>	<u>5,686,537</u>
*Investor Education and Protection Fund to be credited by the amount as and when required.		
<b>19d Short Term Provisions</b>		
Provision for Tax	-	250,000
	<u>-</u>	<u>250,000</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****20 Non Current Assets****Fixed Assets****20a Tangible Assets**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as 1.4.2016 ₹	Addition ₹	Deduction ₹	Cost as 31.3.2017 ₹	As on 1.4.2016 ₹	For the year ₹	On Depreciation ₹	Up to 31.3.2017 ₹	As at 31.3.2017 ₹	As at 31.3.2016 ₹
Vehicles	9,916,801	-	2,248,211	<b>7,668,590</b>	7,020,660	910,644	2,135,800	<b>5,795,504</b>	<b>1,873,086</b>	2,896,141
Furniture & Fixture	886,016	64,710	-	<b>950,726</b>	841,715	6,148	-	<b>847,863</b>	<b>102,863</b>	44,301
Office Equipments	1,213,760	91,644	-	<b>1,305,404</b>	1,109,534	29,768	-	<b>1,139,302</b>	<b>166,102</b>	104,226
<b>TOTAL</b>	<b>12,016,577</b>	<b>156,354</b>	<b>2,248,211</b>	<b>9,924,720</b>	<b>8,971,909</b>	<b>946,560</b>	<b>2,135,800</b>	<b>7,782,670</b>	<b>2,142,051</b>	<b>3,044,668</b>
<b>20b Intangible Assets</b>										
Goodwill on Consolidation	38,841	-	-	<b>38,841</b>	-	-	-	-	<b>38,841</b>	38,841
<b>Total</b>	<b>38,841</b>	<b>-</b>	<b>-</b>	<b>38,841</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,841</b>	<b>38,841</b>

**ACCOUNTING OF DEPRECIATION**

Depreciation is provided on Fixed Assets on Straight Line Basis in accordance with Schedule II of the Companies Act, 2013.

**ACCOUNTING FOR FIXED ASSETS**

All Fixed Assets are valued at cost less Depreciation.

	<b>AS AT 31.03.2017 ₹</b>	AS AT 31.03.2016 ₹
<b>20b Non Current Investments</b>		
Investments in Equity Instruments	<b>15,000</b>	15,000
a. Rander Peoples' Co-op. Bank Limited 150 (Previous Year 150) Equity Shares of ₹ 100/- each fully paid up	<b>15,000</b>	15,000
Further Details		
Aggregate value of quoted investments and market value	-	-
Aggregate amount of unquoted investments	<b>15,000</b>	15,000
Aggregate provision for diminution in value of investments	-	-
	<b>15,000</b>	15,000
<b>Accounting for Investments</b>		
Investments are stated at cost of acquisition.		
<b>20c Deferred Tax Assets (Net)</b>	<b>610,934</b>	<b>545,854</b>
	<b>610,934</b>	<b>545,854</b>
<b>20d Long Term Loans and Advances</b>		
(a) Capital Advances;	<b>2,702,430</b>	2,775,906
(b) Security Deposits;	<b>317,462</b>	277,868
(d) Other loans and advances (Income Taxes).	<b>9,189,450</b>	9,123,021
	<b>12,209,343</b>	12,176,797
(ii) The above shall also be separately sub-classified as:		
(b) Unsecured, considered good;	<b>12,209,343</b>	12,052,585
	<b>12,209,343</b>	12,052,585

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>21 Current Assets</b>		
<b>21a Inventories</b>		
(a) Inventories		
Raw Materials (At cost including incidental expenses incurred for its acquisition)	-	-
Finished Goods (At cost or market value whichever is lower)	<b>3,317,049</b>	6,011,081
	<b>3,317,049</b>	6,011,081
Items of inventory are valued on the basis given below:		
(i) Raw Materials: - At cost including incidental expenses incurred for its acquisitions.		
(ii) Finished Goods: - At cost or market value whichever is lower.		
<b>21b Trade Receivables</b>		
Outstanding For More than six months	<b>192,866,652</b>	251,669,932
Less than six months	<b>181,654</b>	-
	<b>193,048,306</b>	251,669,932
Sub-classified		
Unsecured, considered good	<b>193,048,306</b>	279,804,464
	<b>193,048,306</b>	279,804,464
<b>21c Cash and Cash equivalent</b>		
(a) Cash and Cash equivalent		
Balances with Banks	<b>2,434,555</b>	2,635,064
Cash on hand	<b>64,431</b>	467,378
	<b>2,498,986</b>	3,102,442
<b>21d Short Term Loans and Advances</b>		
(a) Other Loans and Advances (specify nature)		
Prepaid Insurance & Other Expenses	<b>33,238</b>	90,544
Advance to Supplier	<b>6,159,800</b>	6,301,350
Others Advances	-	52,800
Advance to Staff	<b>89,000</b>	65,000
	<b>6,282,038</b>	6,509,694
Sub-classified		
Secured, considered good	-	-
Unsecured, considered good	<b>122,238</b>	94,544

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>22 Revenue from Operations</b>		
(a) Sale of Products	5,789,057	31,839,906
	<u>5,789,057</u>	<u>31,839,906</u>
<b>23 Other Income</b>		
(a) Other non-operating income	-	60,000
(b) Exchange Difference	(4,240,282)	12,827,905
	<u>(4,240,282)</u>	<u>12,887,905</u>
<b>24 Cost of Materials Consumed</b>		
Opening Stock of Rough Diamonds	-	-
Add: Purchases during the year	-	-
Less: Closing Stock of Rough Diamonds	-	-
	<u>-</u>	<u>-</u>
<b>25 Purchase of Finished Goods</b>	2,589,199	21,197,518
(Cut and Polished Diamonds, Gold Jewellery & Pearls)		
<b>26 Changes in inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
Finished Goods (Cut & Polished Diamonds)		
Closing Stocks	3,317,049	6,011,081
Less: Opening Stocks	6,011,081	16,187,252
	<u>2,694,032</u>	<u>10,176,171</u>
<b>27 Employee Benefit Expenses</b>		
(1) Salaries and wages	2,280,000	2,515,500
(2) Directors Remuneration	1,625,000	1,625,000
(3) Staff Welfare Expenses	136,829	162,678
	<u>4,041,829</u>	<u>4,303,178</u>
<b>28 Finance Cost</b>		
(1) Interest Expenses	11,255,156	4,435,845
(2) Other borrowing cost	212,742	9,534,647
	<u>11,467,898</u>	<u>13,970,492</u>
<b>29 Depreciation and Amortisation Cost</b>		
Deprecation on Fixed Assetss	946,560	2,244,699

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017 ₹	AS AT 31.03.2016 ₹
<b>30 Other Expenses</b>		
Advertisement and Sales Promotion	-	53,111
Publishing Expense	<b>31,607</b>	-
Rates and Taxes, excluding taxes on income	-	-
Directors Sitting Fees	<b>8,000</b>	-
Depository Fees	<b>16,628</b>	-
Audit Fees	<b>172,500</b>	230,000
Office Expense	<b>64,968</b>	55,759
Brokerage & Commission	<b>9,345</b>	-
Conveyance & Travelling Expenses - Local	<b>57,979</b>	58,187
Insurance	<b>127,236</b>	177,444
Legal & Professional Fees	<b>1,366,159</b>	1,028,604
Listing Fees	<b>235,423</b>	237,080
Membership & Subscription	<b>78,694</b>	148,908
Other Expenses	<b>122,988</b>	49,780
Postage, Telephone & Telex	<b>446,349</b>	522,036
Printing & Stationery	<b>95,404</b>	205,801
Registration & Trf Agent Fees	<b>38,680</b>	59,633
Electricity Charges	<b>26,126</b>	70,374
AC Charges	<b>69,773</b>	-
Rent & Maintenance Charges	<b>1,542,581</b>	1,244,978
Travelling Expenses - Foreign	<b>218,768</b>	96,568
Vehicle Expenses	<b>520,333</b>	525,805
Excess Depreciation written off as per Schedule II as per Companies Act, 2013	-	1,878,812
	<b>5,249,542</b>	<b>6,642,880</b>
<b>31 Exceptional Items</b>		
(1) Gain on Disposal of items of Fixed Assets	<b>65,367</b>	3,255,445
(2) Prior Period Item	<b>(84,667)</b>	-
	<b>(19,300)</b>	<b>3,255,445</b>
<b>32 Tax Expenses</b>		
Current Tax	-	250,000
Add: Excess / Short provisions of taxes	-	-
	-	250,000
Deferred Tax	<b>(65,080)</b>	<b>(3,196,065)</b>
	<b>(65,080)</b>	<b>(3,196,065)</b>

## SUNRAJ DIAMOND EXPORTS LIMITED

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

CIN : L36912MH1990PLC057803

### ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the attending Member (In Block Letters)	Member's Folio No. ....
	DP ID No. ....
	Client ID No.....
Name of the Proxy (In Block Letters) (to be filled if the Proxy attends instead of the Members)	
No. of Shares held .....	
I hereby record my presence at the 27th Annual General Meeting of Sunraj Diamond Exports Limited being held on Thursday, the 21st September, 2017 at 11.30 a.m at Kshatriya Gnyati Sabha Gruha, 229 Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004.	
Note: Please complete this slip and hand it over at the entrance of the Meeting venue.	Member's / Proxy's Signature .....

## SUNRAJ DIAMOND EXPORTS LIMITED

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

CIN : L36912MH1990PLC057803

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :
Registered Address :
E-mail ID :
Folio No./DP ID-client ID :

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

1 Name	Address
E-mail id	Signature or failing him/her
2 Name	Address
E-mail id	Signature or failing him/her
3 Name	Address
E-mail id	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Thursday, the 21st September, 2017 at 11.30 a.m at Kshatriya Gnyati Sabha Gruha, 229 Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Tick	
		For	Against
1	Adoption of Audited Financial Statement alongwith Reports of Board of Directors and Auditors thereon for the year ended 31st March, 2017.		
2	Re-appointment of Mrs. Shruti Gandhi as Director, who retire by rotation.		
3	To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting and to fix their remuneration.		

Signed this ..... day of ..... 2017.

Signature of Proxyholder(s) ..... Signature of Member .....

Affix Re.1  
Revenue  
Stamp

#### Notes:

- 1) 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.
- 2) For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 27th Annual General Meeting.
- 3) It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4) Please complete all details including details of member(s) in above box before submission.

**By Courier / Post**

To,

*If undelivered, please return to :*

***Sunraj Diamond Exports Ltd.***

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