

# **SUNRAJ DIAMOND EXPORTS LTD.**



**26<sup>TH</sup> ANNUAL REPORT  
2015 - 2016**



# **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**

Bharat Diamond Bourse, DC-6111-B,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051.

## **REGISTRARS & SHARE TRANSFER AGENTS**

**M/s. Adroit Corporate Services Pvt. Ltd.**

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



**NOTICE**

**SUNRAJ DIAMOND EXPORTS LIMITED**

(CIN: L36912MH1990PLC057803)

Registered Office: DC-6111B, Bharat Diamond Bourse, BKC, Bandra - East, Mumbai - 400 051.

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the shareholders of **Sunraj Diamond Exports Limited** will be held at Kshatriya Gnyati Sabha Gruha, 229, Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004. on Friday 30th September, 2016 at 11.30 a.m. to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2016 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Gandhi (holding DIN 00322196), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following **Ordinary Resolution:**  
“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. Bhupendra Shroff & Co., Chartered Accountants (Registration No. 101458W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 to examine and audit the accounts of the Company for the financial year 2016-2017, the appointment being made at the 24th Annual General Meeting of the Company held on 30th September, 2014, for a period upto conclusion of the 27th Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

**SPECIAL BUSINESS :**

4. To consider and if thought fit to pass with or without modifications the following Resolution as a **Special Resolution:**  
"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company, be and is hereby accorded to the re-appointment of Mr. Sunny Gandhi (holding DIN 00695322), as a Whole-time Director of the Company, retiring by rotation with the designation "Executive Director" for a period of 3 years effective from 1st October, 2016, on the remuneration and upon the terms and conditions set out in the Explanatory Statement relating to this resolution with liberty and powers to the Board of Directors to alter and vary the terms and conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. Sunny Gandhi within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.  
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.”

## SUNRAJ DIAMOND EXPORTS LTD.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company, be and is hereby accorded to the re-appointment of Mr. Nirav Shah (holding DIN 02033505), as a Whole-time Director of the Company, retiring by rotation with the designation "Executive Director & CFO" for a period of 3 years effective from 1st April, 2017, on the remuneration and upon the terms and conditions set out in the Explanatory Statement relating to this resolution with liberty and powers to the Board of Directors to alter and vary the terms and conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. Nirav Shah within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof."

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

For and on behalf of the Board of Directors

### Registered Office

DC-6111B, Bharat Diamond Bourse,  
BKC, Bandra - East,  
Mumbai - 400 051.

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

Dated: 12<sup>th</sup> August, 2016

### 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.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out Details relating to the Special Business at the meeting, is annexed hereto.
3. 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 27/09/2016 to 30/09/2016 (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. 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 27th September, 2016 and ends on 29th September, 2016. 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 23rd September, 2016 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.

## SUNRAJ DIAMOND EXPORTS LTD.

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- (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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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)	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. <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.
- (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 27th September, 2016 and ends on 29th September, 2016. 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 23rd September, 2016 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**

DC-6111B, Bharat Diamond Bourse,  
BKC, Bandra - East,  
Mumbai - 400 051.

Dated: 12<sup>th</sup> August, 2016

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

# SUNRAJ DIAMOND EXPORTS LTD.

## ANNEXURE TO THE NOTICE

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

#### Item Nos. 4 and 5

Mr. Sunny Gandhi was re-appointed as a Wholetime Director for a period of 5 years i.e. from 1st October, 2011 to 30th September, 2016 and Mr. Nirav Shah was re-appointed as Wholetime Director for a further period of 3 years with effect from 1st April, 2014 to 31st March, 2017 and the shareholders had approved their re-appointment at the 21st Annual General Meeting and 24th Annual General Meeting respectively. Mr. Nirav Shah was also appointed as Chief Financial Officer of the Company.

As the tenure of appointment of Mr. Sunny Gandhi is expiring on 30th September, 2016 and of Mr. Nirav Shah on 31st March, 2017, it is now proposed to re-appoint them as Whole time Directors for a period of 3 years commencing from 1st October, 2016 and 1st April, 2017 respectively, subject to the approval of the Members.

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

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

The appointment/re-appointment of the whole time Directors will be on the following terms and conditions:

#### 1. Term of Office:

Name	Designation	Period
Mr. Sunny Gandhi	Wholetime Director	1st October, 2016 to 30th September, 2019
Mr. Nirav Shah	Wholetime Director	1st April, 2017 to 31st March, 2020

#### 2. Remuneration:

##### a) Salary

Name	Salary
Mr. Sunny Gandhi	₹ 50,000 p.m. to ₹ 1,00,000/- p.m.
Mr. Nirav Shah	₹ 75,000 p.m. to ₹ 1,50,000/- p.m.

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

##### b) Perquisites

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

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

**c) Other Perquisites**

- i. Company's contribution to Provident Fund, Superannuation Fund/ Annuity Fund;
- ii. Gratuity at the rate half a month's salary for each completed year of services; and
- iii. Encashment of leave at the end of the tenure.

The other perquisites mentioned at c) above shall not be included in the computation of perquisites for the purpose of ceiling on remuneration.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors as it may, in its discretion, deem fit within the maximum amount payable to Mr. Sunny Gandhi and Mr. Nirav Shah, Wholetime Directors, in accordance with the provisions of the Companies Act, 2013 or any amendments made therein.

**MINIMUM REMUNERATION:**

In the absence / inadequacy of profits in any financial year Mr. Sunny Gandhi and Mr. Nirav Shah, Wholetime Directors may be paid aforesaid remuneration by way of salary, perquisites and other allowances as minimum remuneration subject to the limits specified in para A of Section II of Part II of Schedule V to Companies Act, 2013. The perquisites mentioned in para 2 c) of this statement shall not be included in the computation of the ceiling on minimum remuneration.

In the absence / inadequacy of profits in any financial year, the Company has to pay to the Directors remuneration within the ceiling limit prescribed in Schedule V to the Companies Act, 2013. Therefore approval of the Shareholders is sought for payment of remuneration to Wholetime Directors not exceeding the limits specified in para A of Section II of Part II of Schedule V to the Companies Act, 2013.

Information pursuant to clause (iv) of the second proviso to Section II, Part II of Schedule V to the Companies Act, 2013 is furnished hereunder.

**I. GENERAL INFORMATION**

**Nature of Industry**

Manufacturing and Trading of Rough and Polished Diamonds

**Commencement of Commercial Production**

The Company has carried out business activity since 1990

**Financial Performance based on given Indicators**

The financial performance of the Company as reflected by total income, profit, earning per share for the financial year ended 31st March, 2016 is as under :-

Particulars	(₹ In Lakhs)	
	Year Ended 31.03.2016 (Consolidated)	Year Ended 31.03.2016 (Standalone)
Sales and other Income	447.28	427.79
Profit /(Loss) before Interest and Depreciation	56.64	46.53
Less Interest	139.70	138.95
Profit/(Loss) before Depreciation	(83.07)	(92.43)
Less/Add: Depreciation	22.45	22.45
Profit/(Loss) Before Taxation	(105.52)	(114.87)
Less: Provision for Taxation (Net)	2.5	2.5
Less: Tax Adjustment relating to prior years	NIL	NIL
Add : Deferred Tax	31.96	31.96
Net Profit / (Loss) after Tax	<b>(76.06)</b>	<b>(85.41)</b>

## SUNRAJ DIAMOND EXPORTS LTD.

### Foreign Investments or Collaboration

Sunraj Diamonds DMCC

### Information about the Appointees

In the absence / inadequacy of profits in any financial year Mr. Sunny Gandhi and Mr. Nirav Shah, Wholetime Directors may be paid aforesaid remuneration by way of salary, perquisites and other allowances as minimum remuneration subject to the limits specified in para A of Section II of part of Schedule V to Companies Act, 2013. The perquisites mentioned in para 2 c) of this statement shall not be included in the computation of the ceiling on minimum remuneration.

<b>Nature of Information</b>	<b>Mr. Sunny Gandhi</b>	<b>Mr. Nirav Shah</b>																
<b>Background details</b>	Graduation in Commerce, Finance and Management	Graduation in Finance and Marketing																
<b>Past Remuneration</b>	<table><thead><tr><th><b>Year</b></th><th><b>Rs.</b></th></tr></thead><tbody><tr><td>2013-14</td><td>₹ 50,000 p.m.</td></tr><tr><td>2014-15</td><td>₹ 50,000 p.m.</td></tr><tr><td>2015-16</td><td>₹ 50,000 p.m.</td></tr></tbody></table>	<b>Year</b>	<b>Rs.</b>	2013-14	₹ 50,000 p.m.	2014-15	₹ 50,000 p.m.	2015-16	₹ 50,000 p.m.	<table><thead><tr><th><b>Year</b></th><th><b>Rs.</b></th></tr></thead><tbody><tr><td>2013-14</td><td>₹ 75,000 p.m.</td></tr><tr><td>2014-15</td><td>₹ 75,000 p.m.</td></tr><tr><td>2015-16</td><td>₹ 75,000 p.m.</td></tr></tbody></table>	<b>Year</b>	<b>Rs.</b>	2013-14	₹ 75,000 p.m.	2014-15	₹ 75,000 p.m.	2015-16	₹ 75,000 p.m.
<b>Year</b>	<b>Rs.</b>																	
2013-14	₹ 50,000 p.m.																	
2014-15	₹ 50,000 p.m.																	
2015-16	₹ 50,000 p.m.																	
<b>Year</b>	<b>Rs.</b>																	
2013-14	₹ 75,000 p.m.																	
2014-15	₹ 75,000 p.m.																	
2015-16	₹ 75,000 p.m.																	
<b>Job profile and suitability</b>	Mr. Sunny Gandhi has completed his B.Com. and has obtained training in manufacturing and assortment of rough and polished diamonds.	Expertise in Global Trade of Minerals, Commodities, Finance and Marketing																
<b>Remuneration proposed</b>	As mentioned in the Explanatory Statement Under Section 102 of the Companies Act, 2013																	
<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	The remuneration proposed takes into consideration nature and size of business operations; the qualifications, experience and contribution of appointees to continued operations of the Company in difficult times; present trends and norms observed in the business environment for payment of managerial remuneration by companies of comparable size and nature of business. The proposed remuneration is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. The remuneration proposed at present has only been marginally increased to take into consideration inflation in view of inadequate profits of the Company.																	
<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	Do not have any pecuniary relationship with the Company except as remuneration drawn as Wholetime Director and as a shareholder to the extent of their respective shareholdings in the Company.																	

**Other Information**

<b>Reasons of loss or inadequate profits</b>	Slowdown in Industry. Higher cost of Production. Reduction in Sales and Profitability.
<b>Steps taken proposed to be taken for improvement</b>	The Company has embarked on an expansion program for business in domestic market and has also diversified the product range.
<b>Expected increase in productivity and profits in measurable terms.</b>	Company has recorded a turnover of ₹ 318.39 lacs during FY 2015-16. Barring unforeseen circumstances, with the expansion program and product diversification, it is expected that the sales volume will increase. With the reduction in operating costs and finance costs the margins too are expected to show improvement.

The terms and conditions governing the appointment or re-appointment and remuneration payable to Mr. Sunny Gandhi and Mr. Nirav Shah are available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.30 p.m. on all working days upto and including the day of the meeting.

The above may be treated as abstract pursuant to Section 190 of the Companies Act, 2013.

None of the Directors of the Company is, in any way, concerned or interested in these resolutions.

The Directors recommend the resolution for approval of the Members.

For and on behalf of the Board of Directors

**Registered Office**

DC-6111B, Bharat Diamond Bourse,  
BKC, Bandra - East,  
Mumbai - 400 051.

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

Dated: 12<sup>th</sup> August, 2016

## 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>Mr. Sunil Gandhi</b>	<b>Mr. Sunny Gandhi</b>	<b>Mr. Nirav Shah</b>
2. Director Identification Number (DIN)	00322196	00695322	02033505
3. Date of Birth	18.02.1954	25.12.1982	16.07.1980
4. Date of Appointment	26.02.2009	01.10.2006	28.03.2008
5. Experience in specific areas	Mr. Sunil Gandhi has completed his B.Com. and has obtained training in manufacturing and assortment of rough and polished diamonds.	Mr. Sunny Gandhi has completed his B.Com and has obtained training in manufacturing and assortment of rough and polished diamonds.	Expertise in Global Trade of Minerals, Commodities, Finance and Marketing.
6. Academic Qualifications	B.Com.	B.Com.	B.Com.
7. Directorship in Other Companies	Sunraj Investments & Finance Pvt.Ltd.	K. D. Shah Investments Pvt. Ltd. Sunraj Investments & Finance Pvt. Ltd.	Nil
8. Professional Qualifications	Nil	Nil	Nil
9. Memberships/ Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Nil	Chairmanship - Nil Membership of Audit Committee	Chairmanship - Nil Membership of Stakeholders Relationship Committee
10. Shareholding in the Company (No. of shares)	115000	1320800	NIL

## DIRECTORS' REPORT

To,  
The Members

Your Directors have pleasure in presenting 26th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March, 2016.

### FINANCIAL RESULTS: (Standalone)

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

	<b>Year Ended 31.03.2016</b>	Year Ended 31.03.2015
Sales and other Income	<b>4,27,79,121</b>	22,34,09,563
Profit / (Loss) before Interest and Depreciation	<b>46,52,679</b>	1,24,86,172
Less Interest & Finance Expenses	<b>1,38,95,381</b>	1,15,94,255
Profit/(Loss) before Depreciation	<b>(92,42,702)</b>	8,91,917
Less/Add: Depreciation	<b>22,44,699</b>	13,41,499
Profit/(Loss) before Taxation	<b>(1,14,87,400)</b>	(449,582)
Less: Provision for Taxation (Net)	<b>2,50,000</b>	NIL
Less: Deferred Tax	<b>(31,96,065)</b>	53,845
Profit/(Loss) for the year	<b>(85,41,335)</b>	(503,427)
Less: Tax Adjustment relating to prior years	<b>NIL</b>	NIL
Add: Surplus brought forward from Previous year	<b>2,60,04,634</b>	2,65,08,061
Balance Carried to Balance Sheet	<b>1,74,63,299</b>	2,60,04,634

### FINANCIAL RESULTS: (Consolidation)

	<b>Year Ended 31.03.2016</b>	Year Ended 31.03.2015
Sales and other Income	<b>4,47,27,811</b>	54,97,81,215
Profit / (Loss) before Interest and Depreciation	<b>56,63,509</b>	2,87,52,066
Less: Interest & Finance Expenses	<b>1,39,70,492</b>	1,17,00,371
Profit/(Loss) before Depreciation	<b>(83,06,984)</b>	1,70,51,695
Less: Depreciation	<b>22,44,699</b>	13,41,499
Profit/(Loss) Before Taxation	<b>(1,05,51,683)</b>	1,57,10,196
Less: Provision for Taxation (net)	<b>2,50,000</b>	NIL
Less: Deferred Tax	<b>(31,96,065)</b>	53,845
Profit/(Loss) for the year	<b>(76,05,618)</b>	1,56,56,351
Less: Tax Adjustment relating to prior years	<b>NIL</b>	NIL
Add: Surplus brought forward from Previous year	<b>5,36,30,585</b>	3,79,74,234
Balance carried to Balance Sheet	<b>4,60,24,970</b>	5,36,30,585



## **SUNRAJ DIAMOND EXPORTS LTD.**

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### **OPERATIONS:**

Your Company has recorded a turnover of ₹ 318.39 lacs during the year under review as opposed to ₹ 2140.14 lacs in the previous year. High raw material prices and long credit extended to our clients have hindered aggressive sales. The company has been conservative on its outlook and therefore has restricted turnover in order to take on minimum risk.

### **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 2016, and the date of the Directors' Report.

### **DIRECTORATE:**

In terms of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the Directors liable to retire by rotation, the Independent Directors are not included in the total number of Directors of the Company. Accordingly, Mr. Sunil Gandhi (holding DIN 00322196) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as Director of the Company.

Mr. Sunny Gandhi's tenure as a Whole-time Director of the Company will come to an end on 30th September, 2016 and Mr. Nirav Shah's tenure as a Whole Time Director will come to end on 31st March, 2017. The Company has greatly benefited from their expertise and experience. In view of the same, it is proposed to re-appoint Mr. Sunny Gandhi as a Whole-time Director of the Company for a period of three years w.e.f. 1st October, 2016 to 30th September, 2019 and Mr. Nirav Shah for a period of three years w.e.f. 1st April, 2017 to 31st March, 2020.

Brief profile of the Directors seeking re-appointment is provided in the Notice convening the ensuing Annual General Meeting.

Your approval for their appointments / re-appointments as Directors has been sought in the Notice convening the AGM of your Company.

### **BOARD EVALUATION:**

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

Independent Directors has 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 Eight 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 & 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:**

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were on an arm's length basis and were in the ordinary course of business. 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 u/s 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 No. 9 & 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.

# SUNRAJ DIAMOND EXPORTS LTD.

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## **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 were appointed as statutory auditors at the 24th AGM to hold office till the conclusion of 27th AGM subject to ratification of the appointment by the members at every AGM. In terms of Section 139 of the Companies Act, 2013, appointment of M/s Bhupendra Shroff & Co., as Auditors of the Company is recommended for ratification at the ensuing AGM.

## **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, 2016 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 : 12<sup>th</sup> August, 2016

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

(i) **Details of Remuneration of employees as per Rule 5 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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 are as under:

<b>Sl No.</b>	<b>Name of Director/ KMP and Designation</b>	<b>Remuneration of Director/KMP for financial year 2015-16 (₹ in Lacs)</b>	<b>% increase in Remuneration in the financial year 2015-16</b>	<b>Ratio of remuneration of each Director/to median remuneration of employees</b>
1	Mr. Sunny Gandhi - (Whole Time Director)	₹ 6.50 Lacs	N.A	3.57:1
2	Mr. Nirav Shah - (Whole Time Director) & (CFO)	₹ 9.75 Lacs	N.A	5.35:1

- (ii) The median remuneration of employees of the Company during the financial year 2015-16 was ₹ 1,82,000/-
- (iii) In the financial year 2015-16, there was an increase of 16.67% in the median remuneration of employees.
- (iv) There were 11 permanent employees on the rolls of Company as on March 31, 2016.
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2015-16 is 7%-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, 2016 is as per the Remuneration Policy of the Company.

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

For the Company's Financial Year from 1st April, 2015 to 31st March, 2016  
[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, 2016 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, 2016 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
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable

## **SUNRAJ DIAMOND EXPORTS LTD.**

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- (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
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable

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

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, 12<sup>th</sup> August, 2016

**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 as 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, 12<sup>th</sup> August, 2016



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

AS ON FINANCIAL YEAR ENDED ON 31.03.2016

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 : **L36912MH1990PLC057803**
2. Registration Date : 22-08-1990
3. Name of the Company : **SUNRAJ DIAMOND EXPORTS LTD.**
4. Category/Sub-Category of the Company : Public Company
5. Address of the Registered Office and contact details : DC-6111B, Bharat Diamond Bourse,  
BKC, Bandra (East), Mumbai - 400 051.  
Tel. No. 022-26754699  
Fax No. 80126754699
6. Whether listed company : BOMBAY STOCK EXCHANGE
7. Name, Address and Contact details of Registrar and Transfer Agent, if any : **Adroit Corporate Services Pvt. Ltd.**  
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)

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

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

Sr. No.	Name And Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
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 1st April, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				% 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	0	0	0.00	0	1600	1600	0.03	0.03
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) FIIs	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 RELATIVES	0	1600	1600	0.03	0	0	0	0.00	-0.03
<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	45521	87800	133321	2.50	45968	16700	62668	1.18	-1.33
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	813477	1000700	1814177	34.03	827656	1065400	1893056	35.51	1.48
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1429347	0	1429347	26.82	1328921	0	1328921	24.93	-1.88
c) Others (Specify)									
c-1) NON RESIDENT INDIANS (INDIVIDUALS)	16850	12400	29250	0.55	18150	0	18150	0.34	-0.21
c-2) CLEARING MEMBER	100	0	100	0.00	100000	0	100000	1.88	1.87
c-3) Others	0	100	100	0.00	0	0	0	0	0.00
c-4) Trusts	0	0	0	0.00	3500	0	3500	0.07	0.07
<b>Sub-total (B)(2)</b>	<b>2305295</b>	<b>1101000</b>	<b>3406295</b>	<b>63.90</b>	<b>2324195</b>	<b>1082100</b>	<b>3406295</b>	<b>63.90</b>	<b>0.00</b>
<b>Total Public Shareholding(B)= (B)(1)+(B)(2)</b>	<b>2305295</b>	<b>1110100</b>	<b>3415395</b>	<b>64.08</b>	<b>2324195</b>	<b>1091200</b>	<b>3415395</b>	<b>64.07</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs.</b>									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0.00
Public -	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>4220300</b>	<b>1110100</b>	<b>5330400</b>	<b>100.00</b>	<b>4239200</b>	<b>1091200</b>	<b>5330400</b>	<b>100.00</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 / Name of Promoter's	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>	01/04/2015	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	31/03/2016	0	0.00	375000	7.04
2	<b>At the beginning of the year</b>					
	<b>SUNIL CHANDRAKANT GANDHI</b>	01/04/2015	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	31/03/2016	0	0.00	115000	2.16
3	<b>At the beginning of the year</b>					
	<b>SUNNY SUNIL GANDHI</b>	01/04/2015	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	31/03/2016	0	0.00	1320800	24.78
4	<b>At the beginning of the year</b>					
	<b>SEAN SUNIL GANDHI</b>	01/04/2015	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	31/03/2016	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					
	JM FINANCIAL SERVICES LIMITED	01/04/2015	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2016	100000	1.88	100000	1.88
2	At the beginning of the year					
	TUSHAR K MEHTA	01/04/2015	45306	0.85	45306	0.85
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2016	0	0.00	45306	0.85
3	At the beginning of the year					
	NAITIK C SHAH	01/04/2015	48359	0.91	48359	0.91
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2016	0	0.00	48359	0.91
4	At the beginning of the year					
	MANTHAN C SHAH	01/04/2015	59925	1.12	59925	1.12
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2016	0	0.00	59925	1.12
5	At the beginning of the year					
	NIRAVKUMAR KIRITKUMAR SHAH (HUF) .	01/04/2015	130378	2.45	130378	2.45
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2016	0	0.00	130378	2.45
6	At the beginning of the year					
	CHINUBHAI V SHAH	01/04/2015	56210	1.05	56210	1.05
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2016	0	0.00	56210	1.05
7	At the beginning of the year					
	MAHESH CHIMANLAL PATEL	01/04/2015	150500	2.82	150500	2.82
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2016	0	0.00	150500	2.82
8	At the beginning of the year					
	KAWALJIT SINGH	01/04/2015	261409	4.90	261409	4.90
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2016	0	0.00	261409	4.90
9	At the beginning of the year					
	TARABEN C SHAH	01/04/2015	85618	1.61	85618	1.61
	Date wise Increase / Decrease in Share holding during the year	21/08/2015	1000	0.02	86618	1.62
	At the End of the year	31/03/2016	0	0.00	86618	1.62
10	At the beginning of the year					
	NIRAV KIRITBHAI SHAH	01/04/2015	195731	3.67	195731	3.67
	Date wise Increase / Decrease in Share holding during the year		NIL	NIL		
	At the End of the year	31/03/2016	0	0.00	195731	3.67

## 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	₹ 5,62,32,997.00	₹ 2,20,83,822.00	NIL	₹ 7,83,16,819.00
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
<b>Total (i+ii+iii)</b>	<b>₹ 5,62,32,997.00</b>	<b>₹ 2,20,83,822.00</b>	<b>NIL</b>	<b>₹ 7,83,16,819.00</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	₹ 6,47,584	₹ 8,01,93,797	NIL	₹ 8,08,41,381.00
• Reduction	(₹ 5,68,80,581)	(₹ 1,74,59,928)	NIL	(₹ 7,43,40,509.00)
<b>Net Change</b>	<b>(₹ 5,62,32,997)</b>	<b>₹ 6,27,33,869</b>	<b>NIL</b>	<b>₹ 65,00,872.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	₹ 8,48,17,691.00	NIL	₹ 8,48,17,691.00
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>₹ 8,48,17,691.00</b>	<b>NIL</b>	<b>₹ 8,48,17,691.00</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			

## 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	NIL	
	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 (₹ in Lakhs)

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	-	-	₹ 975,000.00	₹ 975,000.00
	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>₹ 975,000.00</b>	<b>₹ 975,000.00</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: 12<sup>th</sup> August, 2016

**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 gone through a major change in the last 1 year and the dynamics of all players in the pipeline are becoming well defined and compact. The year has seen many manufacturing businesses that are no longer cutting and therefore shutting shop, 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 2016.

**B) Opportunities and Threats :**

The weakening of the currency is a big boost for exporters and they are quick to capitalize on pushing sales to good buyers at lower prices. The fall 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 2 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.

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### D) Outlook :

The Indian Diamond Industry is going through a period of caution. The prices of Rough and polished diamonds have corrected thereby creating a healthy business atmosphere and encouraging polishing activity under the new Make in India campaign. We expect 2016 - 2017 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 slowdown of the global economy as its biggest risk. 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. An unstable currency is another problem that could resurface.

### 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.

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## REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2016 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, 2016.

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 75% 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 2015 - 2016, the Board met Eight times. The Board meetings were held on

- |                         |                          |                        |
|-------------------------|--------------------------|------------------------|
| (1) 6th April, 2015,    | (2) 10th April, 2015,    | (3) 29th May, 2015,    |
| (4) 20th July, 2015,    | (5) 14th August, 2015,   | (6) 6th November, 2015 |
| (7) 29th January, 2016, | (8) 13th February, 2016. |                        |



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	8	8	Yes
Mr. Hargovind Shah	Independent Director	Nil	Nil	1	1	8	4	Yes
Mr. Nirav Shah	WTD & CFO	Nil	Nil	Nil	1	8	5	Yes
Mr. Sunil Gandhi	Promoter NED	115000	Sunraj Investments & Finance Pvt. Ltd.	Nil	1	8	4	No
Mr. Jimit Shah	Independent Director	0	Nil	1	1	8	4	Yes
Mrs. Shruti Gandhi	Women Director	0	Nil	1	Nil	8	8	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 2015-16, 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:

<b>Member</b>	<b>Position</b>	<b>No. of Meetings attended</b>
Mr. Hargovind Shah	Chairman	4
Mr. Sunny Gandhi	Member	4
Mr. Jimit Shah	Member	4

The above composition duly meets the requirements under the 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 & Risk Committee met four times during the financial year 2015-16, on the following dates namely, 29th May, 2015, 14th August, 2015, 6th November, 2015 and 13th February, 2016 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	Memembr	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 details of remuneration paid to Directors/ Executive Directors for the financial year ended 31st March, 2016 are set out below:

#### Executive Directors

Name	Salary
Mr. Sunny Gandhi	6,50,000
Mr. Nirav Shah	9,75,000

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

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 31/03/2016
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	NIL	NIL	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
2014 - 2015	Wednesday 30/09/2015	11.30 a.m
2013 - 2014	Tuesday 30/09/2014	11.30 a.m
2012 - 2013	Monday 30/09/2013	11.30 a.m.

**Location:**

The AGM for the year 2014-2015 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, 2016.

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.

**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, 2016.

**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.

## SUNRAJ DIAMOND EXPORTS LTD.

### 6. Whistle Blower Policy:

The Company encourages an open 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 Head of Corporate Human Resource.

### 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** Friday, 30th September, 2016 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** 27.09.2016 to 30.09.2016
- 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 2015- 2016 is furnished below:

Month & Year	Company's Share Price	
	High (₹)	Low (₹)
April 2015	7.89	6.19
May 2015	5.90	5.06
June 2015	5.79	4.74
July 2015	4.60	3.43
August 2015	3.42	2.95
September 2015	3.80	3.08
October 2015	3.80	3.80
November 2015	3.99	3.99
December 2015	3.80	3.61
January 2016	3.97	3.97
February 2016	4.36	4.16
March 2016	4.50	4.50

**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, 2016**

No. of Shares	No. of Holders	% to Total	No. of Shares	% to Total
1 to 500	8,375	94.34	12,29,977	23.07
501 to 1000	288	3.24	2,37,510	4.46
1001 to 2000	99	1.12	1,46,788	2.75
2001 to 3000	36	0.41	88,689	1.66
3001 to 4000	14	0.16	51,607	0.97
4001 to 5000	19	0.21	86,550	1.62
5001 To 10000	18	0.20	1,21,080	2.27
10001 and above	28	0.32	33,68,199	63.19
	<b>8,877</b>	<b>100.00</b>	<b>53,30,400</b>	<b>100.00</b>

**Shareholding Pattern of the Company as on 31st March, 2016**

Sr. No.	Holders	No. of Shares Held	% of Total
A	Promoters Holding	19,15,005	35.93
B	Non-Institutional Investors		
a.	Bodies Corporate	62,668	1.17
b.	Indian Public	32,21,977	60.45
c.	NRI's	18,150	0.34
d.	Others	1,12,600	2.11
	<b>TOTAL</b>	<b>53,30,400</b>	<b>100.00</b>

**Dematerialisation of Shares & Liquidity**

As on 31st March, 2016 **79.53%** of the Company's total shares representing 42,39,200 shares were held in dematerialized form.

**Address for Correspondence :** DC-6111B, Bharat Diamond Bourse, BKC, Bandra - East, Mumbai - 400 051.

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated : 12<sup>th</sup> August, 2016

**SUNNY GANDHI**                      **NIRAV SHAH**  
Executive Director                      Executive Director  
**DIN No. 00695322**                      **DIN No. 02033505**

# SUNRAJ DIAMOND EXPORTS LTD.

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## 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: 12<sup>th</sup> August, 2016

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

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## 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, 2016 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: 12<sup>th</sup> August, 2016

**B. N. Shroff**  
Partner



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## 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, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then 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, 2016;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## SUNRAJ DIAMOND EXPORTS LTD.

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### Report on Other Legal and Regulatory Requirements

1. As required under the Companies (Auditors' Report) Order, 2016 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 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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.

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

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

Mumbai,  
Date: 31<sup>st</sup> May, 2016.



## **“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, 2016:

### **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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

### **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.

### **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.

## SUNRAJ DIAMOND EXPORTS LTD.

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### 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, 2016 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	4,75,820	CIT (Appeals)
Income Tax A.Y. 2011-12	24,54,410	CIT (Appeals)
Income Tax A.Y. 2013-14	1,17,12,740	CIT (Appeals)

- (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 debenture holders. 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence clause 3(xiv) of the order is not applicable.

**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 deals in manufacturing and trading diamonds. Hence, it 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

Mumbai,  
Date: 31<sup>st</sup> May, 2016.

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

## **SUNRAJ DIAMOND EXPORTS LTD.**

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### **“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, 2016 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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: 31<sup>st</sup> May, 2016.

# SUNRAJ DIAMOND EXPORTS LTD.

## BALANCE SHEET AS ON 31ST MARCH, 2016

<b>EQUITY &amp; LIABILITIES</b>	<b>NOTE No.</b>	<b>AS AT 31.03.2016 ₹</b>	<b>AS AT 31.03.2015 ₹</b>
<b>(1) Shareholders' Funds</b>	13		
(a) Share Capital	13a	<b>53,304,000</b>	53,304,000
(b) Reserves & Surplus	13b	<b>18,631,017</b>	27,172,352
<b>(2) Non-Current Liabilities</b>	14		
(a) Long Term Borrowings	14a	<b>7,411,466</b>	11,041,911
(b) Deferred Tax Liabilities (Net)	14b	<b>(545,854)</b>	2,650,211
(d) Long Term Provisions	14c	<b>7,522,000</b>	7,522,000
<b>(3) Current Liabilities</b>	15		
(a) Short Term Borrowings	15a	<b>77,406,225</b>	86,741,501
(b) Trade payables	15b	<b>42,812,768</b>	63,855,641
(c) Other Current Liabilities	15c	<b>2,673,120</b>	10,910,092
(d) Short Term Provisions	15d	<b>250,000</b>	—
<b>TOTAL</b>		<b>209,464,742</b>	263,197,708
<b>ASSETS</b>			
<b>(4) Non Current Assets</b>	16		
(a) Fixed Assets			
(i) Tangible Assets	16a	<b>3,044,668</b>	18,295,733
(b) Non Current Investments	16b	<b>5,967,100</b>	5,967,100
(d) Long Term Loans and Advances	16c	<b>12,158,727</b>	12,035,525
<b>(5) Current Assets</b>	17		
(a) Inventories	17a	<b>6,011,081</b>	16,187,252
(b) Trade Receivables	17b	<b>179,721,133</b>	207,855,662
(c) Cash and Cash Equivalents	17c	<b>2,353,689</b>	2,692,141
(d) Short term Loans and Advances	17d	<b>208,344</b>	164,295
<b>TOTAL</b>		<b>209,464,742</b>	263,197,708

### 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, 31<sup>st</sup> May, 2016.

For and on behalf of the Board

**SUNIL GANDHI**

Director

**SUNNY S. GANDHI**

Director

Mumbai, 31<sup>st</sup> May, 2016.

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Note No.	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>Revenue</b>			
I Revenue from Operations	18	<b>31,839,906</b>	214,014,265
II Other Income	19	<b>10,939,215</b>	9,395,298
III Total Revenue (I+II)		<b>42,779,121</b>	223,409,563
<b>Expenses:</b>			
Cost of Material Consumed	20	-	-
Purchase of Finished Goods	21	<b>21,197,518</b>	187,857,780
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	22	<b>10,176,171</b>	11,558,386
Employee Benefit Expenses	23	<b>4,303,178</b>	4,676,227
Finance Cost	24	<b>13,895,381</b>	11,594,255
Depreciation and Ammortisation Expenses	25	<b>2,244,699</b>	1,341,499
Other Expenses	26	<b>5,705,020</b>	6,830,998
IV <b>Total Expenses</b>		<b>57,521,966</b>	223,859,145
V Profit / (Loss) before exception and extraordinary items and tax (III-IV)		<b>(14,742,845)</b>	(449,582)
VI Exceptional Items	27	<b>3,255,445</b>	-
VII Profit / (Loss) before extraordinary items and tax (V-VI)		<b>(11,487,400)</b>	(449,582)
VIII Extraordinary Items		-	-
IX Profit / (Loss) before tax (VII - VIII)		<b>(11,487,400)</b>	(449,582)
X Tax Expenses:	28		
(1) Current Tax		<b>250,000</b>	-
(2) Deferred Tax		<b>(3,196,065)</b>	53,845
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		<b>(8,541,335)</b>	(503,427)
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)		<b>(8,541,335)</b>	(503,427)
XVI Earnings per Equity Share			
(1) Basic		<b>(1.60)</b>	(0.09)
(2) Diluted		<b>(1.60)</b>	(0.09)

## 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, 31<sup>st</sup> May, 2016.

For and on behalf of the Board  
**SUNIL GANDHI**  
*Director*  
  
**SUNNY S. GANDHI**  
*Director*  
Mumbai, 31<sup>st</sup> May, 2016.



# SUNRAJ DIAMOND EXPORTS LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	31.03.2016		31.03.2015	
	₹	₹	₹	₹
<b>I Cash Flow from Operating Activities</b>				
Net Profit before tax from Profit and Loss A/c		(11,487,400)		(449,582)
Adjustments for -				
Interest on Loans Paid	4,435,845		6,473,801	
Unrealised Foreign Exchange	(10,879,215)		(8,510,450)	
Interest income	-		(708,218)	
Gain on sale of Office Premises	(3,255,445)		-	
Excess Depreciation written off as per schedule II	1,878,812		-	
Depreciation	2,244,699	(5,575,305)	1,341,499	(1,403,368)
<b>Operating Profit before working capital changes</b>		<b>(17,062,705)</b>		<b>(1,852,950)</b>
Adjustments for -				
Trade & other Receivables	39,013,744		25,157,068	
Loans and Advances	1,059		33,100	
Inventories	10,176,171		11,558,386	
Trade & Other Payables	(28,717,191)	20,473,783	(18,897,703)	17,850,850
<b>Cash generated from Operations</b>		<b>3,411,078</b>		<b>15,997,901</b>
Direct Taxes Paid (Net of refund of Taxes)	168,310	168,310		1,298,344
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>3,242,768</b>		<b>14,699,556</b>
<b>II Cash Flow from Investing Activities</b>				
Proceeds from sale of Assets	14,400,000			-
Interest Received				708,218
Purchase of Fixed Assets	(17,000)			-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>14,383,000</b>		<b>708,218</b>
<b>III Cash from Financial Activities</b>				
Loans Received	82,799,451		308,901,412	
Loans Repaid	(96,327,428)		(329,867,779)	
Dividend & Dividend Distribution Tax Paid	(400)		(10,801)	
Interest on Loans Paid	(4,435,845)		(6,473,801)	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(17,964,221)</b>		<b>(27,450,969)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(338,453)</b>		<b>(12,043,195)</b>
Cash and Cash Equivalents - Opening Balance		<b>2,692,141</b>		<b>14,735,336</b>
Cash and Cash Equivalents - Closing Balance		<b>2,353,689</b>		<b>2,692,141</b>

### AUDITORS' CERTIFICATE

We have checked the attached Cash flow Statement of SUNRAJ DIAMOND EXPORTS LIMITED, for the year ended 31st March, 2016 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, 31<sup>st</sup> May, 2016.

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

**SUNNY S. GANDHI**  
Director

Mumbai, 31<sup>st</sup> May, 2016.



**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 01.04.2015	Transactions during the year (Net)	Closing Credit Balance as on 31.03.2016	Maximum Outstanding
Sunny Gandhi	2,20,83,822	(80,41,190)	1,40,42,632	2,45,62,525
Sunil Gandhi	NIL	8,23,322	8,23,322	10,00,000
K.D.Shah Invesment Pvt. Ltd.	NIL	6,99,51,737	6,99,51,737	6,80,00,000

### 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	27,51,737/-

### (e) EARNING PER SHARE

	2015-2016 ₹	2014-2015 ₹
(i) Profit / (Loss) after Tax	(85,41,335)	(5,03,427)
(ii) Less : Short Provision for Tax of earlier years	(NIL)	(NIL)
	<u>(85,41,335)</u>	<u>(5,03,427)</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	₹ (1.60)	₹ (0.09)

### (f) DEFERRED TAXATION

Deferred Tax Liability for the year is ₹ 31,96,065/-

### (g) CONTINGENT LIABILITIES:

The company has a contingent liability of income tax of ₹ 4,75,820 in respect for A.Y. 2008-2009, ₹ 24,54,410 in respect for A.Y. 2011-2012, ₹ 1,17,12,740 in respect for A.Y. 2013-2014.

**(h) MANAGERIAL REMUNERATION:**

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

	<b>2015-16</b>	2014-15
	₹	₹
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 amount outstanding payable to Small Scale industries.
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**

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

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

	<b>Current Year</b>	Previous Year
	₹	₹
Raw Materials	<b>NIL</b>	NIL

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

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

## SUNRAJ DIAMOND EXPORTS LTD.

### 9. EXPENDITURE IN FOREIGN EXCHANGE

Foreign Travelling Expenditure ₹ 96,568/- (Previous year ₹ 4,22,055/-)

### 10. EARNING IN FOREIGN EXCHANGE

Exchange Difference - ₹ 1,08,79,215/- (Previous year F.O.B. Value of Exports and Exchange Difference ₹ 16,85,79,880/-).

### 11. STOCK & TURNOVER

Items	Units	Opening Stock		Closing Stock		Turnover/Consumption	
		Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
<b>Finished Goods</b>							
Cut & Polished Diamonds	Cts	<b>205.49</b> <i>(1,277.63)</i>	<b>5,073,291</b> <i>(15,512,230)</i>	<b>77.53</b> <i>(205.49)</i>	<b>2,790,863</b> <i>(5,073,291)</i>	<b>2,034.35</b> <i>(12,198.14)</i>	<b>29,505,832</b> <i>(232,925,695)</i>
Jewellery	Gms	<b>1,519.58</b> <i>(1,757.45)</i>	<b>4,347,152.00</b> <i>(4,989,003)</i>	<b>NIL</b> <i>(1,519.58)</i>	<b>NIL</b> <i>(4,347,152)</i>	<b>1,519.58</b> <i>(237.87)</i>	<b>6,894,900</b> <i>(602,183)</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>1.00</b> <i>(3.00)</i>	<b>905,000.00</b> <i>(467,340)</i>
Emerald Cut & Polished Stones	Cts	<b>103.34</b> <i>(103.34)</i>	<b>365,066</b> <i>(365,066)</i>	<b>NIL</b> <i>(103.34)</i>	<b>NIL</b> <i>(365,066)</i>	<b>103.34</b> <i>NIL</i>	<b>413,360</b> <i>NIL</i>
Synthetic Crystals	Cts	<b>185.07</b> <i>(200.18)</i>	<b>6,401,742</b> <i>(6,879,337)</i>	<b>185.07</b> <i>(185.07)</i>	<b>3,220,218</b> <i>(6,401,742)</i>	<b>NIL</b> <i>(15.11)</i>	<b>NIL</b> <i>(495,049)</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.

12. 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, 31<sup>st</sup> May, 2016.

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

**SUNNY S. GANDHI**

Director

Mumbai, 31<sup>st</sup> May, 2016.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>13 Shareholders' Fund</b>		
<b>13a 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>13b 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>26,004,634</b>	26,508,061
Add: Surplus / (Defecit) in Profit and Loss for the year	<b>(8,541,335)</b>	(503,427)
Closing Balance C	<b>17,463,299</b>	26,004,634
Total (B + C)	<b>18,033,017</b>	26,574,352
Total (A + B + C)	<b>18,631,017</b>	27,172,352

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>14 Non Current Liabilities</b>		
<b>14a Long Term Borrowings</b>		
<b>Unsecured Borrowings</b>		
Loans From Directors	<u>7,411,466</u>	<u>11,041,911</u>
	<u>7,411,466</u>	<u>11,041,911</u>
Total	<u>7,411,466</u>	<u>11,041,911</u>
<b>14b Deferred Tax Liabilities (Net)</b>	<u>(545,854)</u>	<u>2,650,211</u>
	<u>(545,854)</u>	<u>2,650,211</u>
<b>14c Long Term Provisions</b>		
Provision for Tax	<u>7,522,000</u>	<u>7,522,000</u>
	<u>7,522,000</u>	<u>7,522,000</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>15 Current Liabilities</b>		
<b>15a Short Term Borrowings</b>		
<b>Secured Borrowings</b>		
Loans payable on demand - Postshipment Finance from The Royal Bank of Scotland	-	55,670,741
	<u>-</u>	<u>55,670,741</u>
<b>Unsecured Borrowings</b>		
- Loans and advances from related parties	<b>69,951,737</b>	-
- Loans and advances from Company	-	20,028,849
- Loans From Directors	<b>7,454,488</b>	11,041,911
	<u><b>77,406,225</b></u>	<u>31,070,760</u>
Total	<u><b>77,406,225</b></u>	<u>86,741,501</u>
<b>15b Trade Payable</b>	<b>42,812,768</b>	63,855,641
	<u><b>42,812,768</b></u>	<u>63,855,641</u>
<b>15c Other Current Liabilities</b>		
Other Payables		
Current Maturity of long term debts		
Axis Bank Ltd. - Secured against hypothecation of car	-	137,458
Kotak Mahindra Prime Ltd. - Secured against hypothecation of car	-	424,798
Advance Against Sale of Panchartna Property	-	5,000,000
TDS Payable	<b>34,864</b>	333,192
Unclaimed Dividend Payable *	<b>1,795,557</b>	1,795,957
Sundry Creditors for Expenses	<b>834,783</b>	2,980,262
Security Deposits	-	200,000
Other Payables	<b>7,915</b>	38,425
	<u><b>2,673,120</b></u>	<u>10,910,092</u>
*Investor Education and Protection Fund to be credited by the amount as and when required.		
<b>15d Short Term Provisions</b>		
Provision for Tax	<b>250,000</b>	-
	<u><b>250,000</b></u>	<u>-</u>

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 16 Non Current Assets

#### Fixed Assets

#### 16a Tangible Assets

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as 1.4.2015	Addition	Deduction	Cost as 31.3.2016	As on 1.4.2015	For the year	Depreciation Difference Debited to P/L A/c as per Schedule II of Companies Act 2013	Up to 31.3.2016	As at 31.3.2016	As at 31.3.2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Office Premises	15,134,916	-	15,134,916	-	3,047,402	942,959.00	-	-	-	12,087,514
Vehicles	9,916,801	-	-	<b>9,916,801</b>	4,301,783	1,177,620.00	1,541,257	<b>7,020,660</b>	<b>2,896,141</b>	5,615,019
Furniture & Fixture	886,016	-	-	<b>886,016</b>	706,002	-	135,713	<b>841,715</b>	<b>44,301</b>	180,014
Office Equipments	1,196,760	17,000	-	<b>1,213,760</b>	783,574	124,120.00	201,842	<b>1,109,534</b>	<b>104,226</b>	413,186
<b>TOTAL</b>	<b>27,134,493</b>	<b>17,000</b>	<b>15,134,916</b>	<b>12,016,577</b>	<b>8,838,761</b>	<b>2,244,699</b>	<b>1,878,812</b>	<b>8,971,909</b>	<b>3,044,668</b>	<b>18,295,733</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 31.03.2016 ₹</b>	<b>AS AT 31.03.2015 ₹</b>
<b>16b 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>16c Long Term Loans and Advances</b>		
(a) Capital Advances;	<b>2,775,906</b>	2,775,906
(b) Security Deposits;	<b>259,800</b>	304,908
(d) Other Loans and Advances (Income Taxes).	<b>9,123,021</b>	8,954,711
	<b>12,158,727</b>	12,035,525
(ii) The above shall also be separately sub-classified as:		
(b) Unsecured, considered good;	<b>12,158,727</b>	12,035,525
	<b>12,158,727</b>	12,035,525



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>17 Current Assets</b>		
<b>17a 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>6,011,081</b>	16,187,252
	<b>6,011,081</b>	16,187,252
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. In case of finished goods which are manufactured, the cost of labour incurred for converting raw material into finished goods and which are lying in the stock are added to the stock of finished goods.		
<b>17b Trade Receivables</b>		
Outstanding For More than six months	<b>179,721,133</b>	197,064,281
Less than six months	-	10,791,381
	<b>179,721,133</b>	207,855,662
Sub-classified		
Unsecured, considered good	<b>179,721,133</b>	207,855,662
	<b>179,721,133</b>	207,855,662
<b>17c Cash and Cash equivalent</b>		
(a) Cash and Cash equivalent		
Balances with Banks	<b>1,886,313</b>	2,426,305
Cash on hand	<b>467,376</b>	265,836
	<b>2,353,689</b>	2,692,141
<b>17d Short Term Loans and Advances</b>		
(a) Other Loans and Advances (specify nature)		
Prepaid Insurance	<b>90,544</b>	104,295
Others Advances	<b>52,800</b>	-
Loan to Staff	<b>65,000</b>	60,000
	<b>208,344</b>	164,295
Sub-classified		
Secured, considered good	-	-
Unsecured, considered good	<b>208,344</b>	164,295

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>18 Revenue from Operations</b>		
(a) Sale of Products	<b>31,839,906</b>	214,014,265
	<b>31,839,906</b>	214,014,265
<b>19 Other Income</b>		
(a) Interest Income	-	708,218
(b) Other non-operating Income	<b>60,000</b>	930,645
(c) Exchange Difference	<b>10,879,215</b>	7,756,435
	<b>10,939,215</b>	9,395,298
<b>20 Cost of Materials Consumed</b>		
Opening Stock of Rough Diamonds	-	-
Add: Purchases during the year	-	-
Less: Closing Stock of Rough Diamonds	-	-
	-	-
<b>21 Purchase of Finished Goods</b>	<b>21,197,518</b>	187,857,780
(Cut and Polished Diamonds, Gold Jewellery & Pearls)		
<b>22 Changes in inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
Finished Goods (Cut & Polished Diamonds)		
Closing Stocks	<b>6,011,081</b>	16,187,252
Less: Opening Stocks	<b>16,187,252</b>	27,745,637
	<b>10,176,171</b>	11,558,386
<b>23 Employee Benefit Expenses</b>		
(1) Salaries and Wages	<b>2,515,500</b>	2,821,500
(2) Directors Remuneration	<b>1,625,000</b>	1,625,000
(3) Staff Welfare Expenses	<b>162,678</b>	229,727
	<b>4,303,178</b>	4,676,227
<b>24 Finance Cost</b>		
(1) Interest Expenses	<b>4,435,845</b>	6,473,801
(2) Other Borrowing Cost	<b>9,459,536</b>	5,120,454
	<b>13,895,381</b>	11,594,255
<b>25 Depreciation and Amortisation Cost</b>		
Deprecation on Fixed Assets	<b>2,244,699</b>	1,341,499

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>26 Other Expenses</b>		
Advertisement and Sales Promotion	53,111	332,233
Agency Commission on Import /Export	-	8,175
Rates and Taxes, excluding taxes on income	-	5,524
Assortment charges	-	666,890
Audit Fees	230,000	308,990
Office Expense	55,759	37,055
Brokerage & Commission	-	804,974
Business Promotion	-	286,168
Clearing & Forwarding chgs (Import & Export )	-	13,046
Conveyance & Travelling Expenses-Local	58,187	87,783
Donation	-	11,000
Exhibition Fees	-	202,906
Insurance	177,444	202,641
Legal & Professional Fees	381,564	435,793
Listing Fees	237,080	112,360
Membership & Subscription	148,908	76,533
Miscellaneous Expenses	49,780	18,119
Postage,Telephone & telex	522,036	679,455
Printing & Stationery	205,801	102,060
Registration & Trf Agent Fees	59,633	59,085
Electricity Charges	70,374	70,132
Rent & Maintenance Charges	954,157	1,322,623
Travelling Expenses-Foreign	96,568	422,055
Vehicle Expenses	525,805	565,398
Excess Depreciation written off as per Schedule II of the Companies Act, 2013	1,878,812	-
	<u>5,705,020</u>	<u>6,830,998</u>
<b>27 Exceptional Items</b>		
(1) Gain on Disposals of items of Fixed Assets	3,255,445	-
	<u>3,255,445</u>	-
<b>28 Tax Expenses</b>		
Current Tax	250,000	-
Add: Excess / Short provisions of taxes	-	-
	<u>250,000</u>	-
Deferred Tax	(3,196,065)	53,845
	<u>(2,946,065)</u>	<u>53,845</u>

# 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, 2016
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 = ₹ 66.33
4. Share Capital	: ₹ 59,13,259
5. Reserves & Surplus	: ₹ 2,66,12,978
6. Total Assets	: ₹ 7,90,16,970
7. Total Liabilities	: ₹ 4,44,73,089
8. Investments	: NIL
9. Turnover	: NIL
10. Profit before Taxation	: (₹ 10,12,973)
11. Provision for Taxation	: NIL
12. Profit after Taxation	: (₹ 10,12,973)
13. Proposed Dividend	: NIL
14. % of Shareholding	: 100%

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated : 12<sup>th</sup> August, 2016

**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 DIAMONDS DMCC (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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.**

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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, 2016, 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 ₹ 7,90,16,970/- as at 31st March, 2016. 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 ₹ 10,12,973/- for the year ended 31st March, 2016, 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, 2016 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, 2016 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 17e 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 Company, and its subsidiary company.

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

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

Mumbai,  
Date: 31<sup>st</sup> May, 2016.

Membership No. 5039



## **SUNRAJ DIAMOND EXPORTS LTD.**

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### **“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, 2016 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, 2016, 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: 31<sup>st</sup> May, 2016.

# SUNRAJ DIAMOND EXPORTS LTD.

## CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2016

<b>EQUITY &amp; LIABILITIES</b>	<b>NOTE No.</b>	<b>AS AT 31.03.2016 ₹</b>	<b>AS AT 31.03.2015 ₹</b>
<b>(1) Shareholders' Funds</b>	13		
(a) Share Capital	13a	<b>53,304,000</b>	53,304,000
(b) Reserves & Surplus	13b	<b>47,192,685</b>	54,798,303
<b>(2) Non-Current Liabilities</b>	14		
(a) Long Term Borrowings	14a	<b>7,411,466</b>	11,041,911
(b) Deferred Tax Liabilities (Net)	14b	<b>(545,854)</b>	2,650,211
(d) Long Term Provisions	14c	<b>7,522,000</b>	7,522,000
<b>(3) Current Liabilities</b>	15		
(a) Short Term Borrowings	15a	<b>77,475,179</b>	86,806,609
(b) Trade payables	15b	<b>84,272,441</b>	103,002,623
(c) Other Current Liabilities	15c	<b>5,686,537</b>	12,738,910
(d) Short Term Provisions	15d	<b>250,000</b>	–
<b>TOTAL</b>		<b>282,568,454</b>	<b>331,864,568</b>
<b>ASSETS</b>			
<b>(4) Non Current Assets</b>	16		
(a) Fixed Assets			
(i) Tangible Assets	16a	<b>3,044,668</b>	18,295,733
(ii) Intangible Assets	16a	<b>38,841</b>	38,841
(b) Non Current Investments	16b	<b>15,000</b>	15,000
(c) Long Term Loans and Advances	16c	<b>12,176,796</b>	12,052,586
<b>(5) Current Assets</b>	17		
(a) Inventories	17a	<b>6,011,081</b>	16,187,252
(b) Trade Receivables	17b	<b>251,669,932</b>	275,791,038
(c) Cash and Cash Equivalents	17c	<b>3,102,442</b>	3,369,974
(d) Short term Loans and Advances	17d	<b>6,509,694</b>	6,114,145
<b>TOTAL</b>		<b>282,568,454</b>	<b>331,864,568</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, 31<sup>st</sup> May, 2016.

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

**SUNNY S. GANDHI**  
Director

Mumbai, 31<sup>st</sup> May, 2016.

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>AS AT 31.03.2016 ₹</b>	<b>AS AT 31.03.2015 ₹</b>
<b>Revenue</b>			
I Revenue from Operations	18	<b>31,839,906</b>	539,245,413
II Other Income	19	<b>12,887,905</b>	10,535,803
III Total Revenue (I+II)		<b>44,727,811</b>	549,781,216
<b>Expenses:</b>			
Cost of Material Consumed	20	-	-
Purchase of Finished Goods	21	<b>21,197,518</b>	494,303,946
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	22	<b>10,176,171</b>	14,551,876
Employee Benefit Expenses	23	<b>4,303,178</b>	4,676,227
Finance Cost	24	<b>13,970,492</b>	11,700,371
Depreciation and Ammortisation Expenses	25	<b>2,244,699</b>	1,341,499
Other Expenses	26	<b>6,642,880</b>	7,497,100
IV <b>Total Expenses</b>		<b>58,534,939</b>	534,071,019
V Profit / (Loss) before exception and extraordinary items and tax (III-IV)		<b>(13,807,128)</b>	15,710,197
VI Exceptional Items	27	<b>3,255,445</b>	-
VII Profit / (Loss) before extraordinary items and tax (V-VI)		<b>(10,551,683)</b>	15,710,197
VIII Extraordinary Items		-	-
IX Profit / (Loss) before tax (VII - VIII)		<b>(10,551,683)</b>	15,710,197
X Tax Expenses:	28		
(1) Current Tax		<b>250,000</b>	-
(2) Deferred Tax		<b>(3,196,065)</b>	53,845
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		<b>(7,605,618)</b>	15,656,351
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)		<b>(7,605,618)</b>	15,656,351
XVI Earnings per Equity Share			
(1) Basic		<b>(1.43)</b>	2.94
(2) Diluted		<b>(1.43)</b>	2.94

## 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, 31<sup>st</sup> May, 2016.

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

**SUNNY S. GANDHI**  
*Director*

Mumbai, 31<sup>st</sup> May, 2016.

# SUNRAJ DIAMOND EXPORTS LTD.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	31.03.2016		31.03.2015	
	₹	₹	₹	₹
<b>I Cash Flow from Operating Activities</b>				
Net Profit before tax from Profit and Loss A/c		(10,551,683)		15,710,196
Adjustments for -				
Interest on Loans Paid	4,435,845		6,473,801	
Unrealised Foreign Exchange	(10,879,215)		(8,510,450)	
Interest income	-		(708,218)	
Gain on sale of Office Premises	(3,255,445)		-	
Excess Depreciation written off as per schedule II	1,878,812		-	
Depreciation	2,244,699	(5,575,304)	1,341,499	(1,403,368)
<b>Operating Profit before working capital changes</b>		<b>(16,126,987)</b>		<b>14,306,829</b>
Adjustments for -				
Trade & other Receivables	35,000,321		(24,470,112)	
Loans and Advances	(351,449)		206,688	
Inventories	10,176,171		14,429,995	
Trade & Other Payables	(25,219,900)	19,605,142	11,445,403	1,611,975
<b>Cash generated from Operations</b>		<b>3,478,155</b>		<b>15,918,803</b>
Direct Taxes Paid (Net of refund of Taxes)	168,310	168,310		1,298,344
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>3,309,845</b>		<b>14,620,459</b>
<b>II Cash Flow from Investing Activities</b>				
Proceeds from sale of Assets	14,400,000			-
Purchase of Fixed Assets	(17,000)			-
Interest Received	-			708,218
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>14,383,000</b>		<b>708,218</b>
<b>III Cash from Financial Activities</b>				
Loans Received	82,799,451			308,901,412
Loans Repaid	(96,323,583)			(329,865,155)
Dividend & Dividend Distribution Tax Paid	(400)			(10,801)
Interest on Loans Paid	(4,435,845)			(6,473,801)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(17,960,377)</b>		<b>(27,448,345)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(267,532)</b>		<b>(12,119,668)</b>
Cash and Cash Equivalents - Opening Balance		<b>3,369,974</b>		<b>15,489,642</b>
Cash and Cash Equivalents - Closing Balance		<b>3,102,442</b>		<b>3,369,974</b>

### AUDITORS' CERTIFICATE

We have checked the attached Cash Flow Statement of SUNRAJ DIAMOND EXPORTS LIMITED, for the year ended 31st March, 2016 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, 31<sup>st</sup> May, 2016.

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

**SUNNY S. GANDHI**  
Director

Mumbai, 31<sup>st</sup> May, 2016.

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON MARCH 31, 2016**

**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 :

<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Ownership Interest / Voting Power</b>	<b>Financial Period</b>
Sunraj Diamonds DMCC	Dubai	100%	April 15 to March 16

- (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 ₹ 19,48,690 on conversion of all the assets and liabilities of the foreign subsidiary as on Balance Sheet date has been credited to 'Exchange Difference' appearing in Schedule 19 - Other Income.

## SUNRAJ DIAMOND EXPORTS LTD.

- (ix) The financial statements of Sunraj Diamonds DMCC for the period April 2015 to March 2016 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.

### CONSOLIDATED STOCK STATEMENT AS ON 31.03.2016

Items	Units	Opening Stock		Closing Stock		Turnover/Consumption	
		Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
<b>Finished Goods</b>							
Cut & Polished Diamonds	Cts	<b>205.49</b> <i>(1,277.63)</i>	<b>5,073,291</b> <i>(15,512,230)</i>	<b>77.53</b> <i>(205.49)</i>	<b>2,790,863</b> <i>(5,073,291)</i>	<b>2,034.35</b> <i>(15,970.27)</i>	<b>29,505,832</b> <i>(412,030,534)</i>
Jewellery	Gms	<b>1,519.58</b> <i>(1,757.45)</i>	<b>4,347,152.00</b> <i>(4,989,003)</i>	<b>NIL</b> <i>(1,519.58)</i>	<b>NIL</b> <i>(4,347,152)</i>	<b>1,519.58</b> 237.87	<b>6,894,900</b> 602,183
Jewellery	Nos.	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>NIL</b> NIL	<b>1.00</b> 8.00	<b>905,000.00</b> 146,593,649
Emerald Cut & Polished Stones	Cts	<b>103.34</b> <i>(103.34)</i>	<b>365,066</b> <i>(365,066)</i>	<b>NIL</b> <i>(103.34)</i>	<b>NIL</b> <i>(365,066)</i>	<b>103.34</b> NIL	<b>413,360</b> NIL
Synthetic Crystals	Cts	<b>(185.07)</b> <i>(200.18)</i>	<b>(6,401,742)</b> <i>(6,879,337)</i>	<b>185.07</b> 185.07	<b>3,220,218</b> 6,401,742	<b>NIL</b> 15.11	<b>NIL</b> 495,049
<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.*

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

**(B. N. SHROFF)**  
*Partner*  
Membership No. : 5039  
Mumbai, 31<sup>st</sup> May, 2016.

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

**SUNNY S. GANDHI**  
*Director*

Mumbai, 31<sup>st</sup> May, 2016.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>13 Shareholders' Fund</b>		
<b>13a 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>13b 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>53,630,585</b>	37,974,234
Add: Surplus / (Defecit) in Profit and Loss for the year	<b>(7,605,618)</b>	15,656,351
Closing Balance C	<b>46,024,967</b>	53,630,585
Total (B + C)	<b>46,594,685</b>	54,200,303
Total (A + B + C)	<b>47,192,685</b>	54,798,303

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>14 Non Current Liabilities</b>		
<b>14a Long Term Borrowings</b>		
<b>Unsecured Borrowings</b>		
Loans From Directors	7,411,466	11,041,911
	<u>7,411,466</u>	<u>11,041,911</u>
Total	<u>7,411,466</u>	<u>11,041,911</u>
<b>14b Deferred Tax Liabilities (Net)</b>	(545,854)	2,650,211
	<u>(545,854)</u>	<u>2,650,211</u>
<b>14c Long Term Provisions</b>		
Provision for Tax	7,522,000	7,522,000
	<u>7,522,000</u>	<u>7,522,000</u>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>15 Current Liabilities</b>		
<b>15a Short Term Borrowings</b>		
<b>Secured Borrowings</b>		
Loans payable on demand - Postshipment Finance from The Royal Bank of Scotland	-	55,670,741
	<u>-</u>	<u>55,670,741</u>
<b>Unsecured Borrowings</b>		
- Loans and advances from related parties	<b>69,951,737</b>	-
- Loans and advances from Company	-	20,028,849
- Loans From Directors	<b>7,523,442</b>	11,107,019
	<u><b>77,475,179</b></u>	<u>31,135,868</u>
Total	<u><b>77,475,179</b></u>	<u>86,806,609</u>
<b>15b Trade Payable</b>	<b>84,272,441</b>	103,002,623
	<u><b>84,272,441</b></u>	<u>103,002,623</u>
<b>15c Other Current Liabilities</b>		
Other Payables		
Current Maturity of long term debts		
Axis Bank Ltd. - Secured against hypothecation of car	-	137,458
Kotak Mahindra Prime Ltd. - Secured against hypothecation of car	-	424,798
Advance Against Sale of Panchartna Property	-	5,000,000
TDS Payable	<b>34,864</b>	333,192
Unclaimed Dividend Payable *	<b>1,795,558</b>	1,795,957
Sundry Creditors for Expenses	<b>3,848,200</b>	4,809,080
Security Deposits	-	200,000
Other Payables	<b>7,915</b>	38,425
	<u><b>5,686,537</b></u>	<u>12,738,910</u>
*Investor Education and Protection Fund to be credited by the amount as and when required.		
<b>15d Short Term Provisions</b>		
Provision for Tax	<b>250,000</b>	-
	<u><b>250,000</b></u>	<u>-</u>

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 16 Non Current Assets

#### Fixed Assets

#### 16a Tangible Assets

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as 1.4.2015	Addition	Deduction	Cost as 31.3.2016	As on 1.4.2015	For the year	Depreciation Difference Debited to P/L A/c as per Schedule II of Companies Act 2013	Up to 31.3.2016	As at 31.3.2016	As at 31.3.2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Office Premises	15,134,916	-	15,134,916	-	3,047,402	942,959.00	-	-	-	12,087,514
Vehicles	9,916,801	-	-	9,916,801	4,301,783	1,177,620.00	1,541,257	7,020,660	2,896,141	5,615,019
Furniture & Fixture	886,016	-	-	886,016	706,002	-	135,713	841,715	44,301	180,014
Office Equipments	1,196,760	17,000	-	1,213,760	783,574	124,120.00	201,842	1,109,534	104,226	413,186
<b>TOTAL</b>	<b>27,134,493</b>	<b>17,000</b>	<b>15,134,916</b>	<b>12,016,577</b>	<b>8,838,761</b>	<b>2,244,699</b>	<b>1,878,812</b>	<b>8,971,909</b>	<b>3,044,668</b>	<b>18,295,733</b>
<b>16a Intangible Assets</b>										
Goodwill on Consolidation	38,841.00	-	-	38,841	-	-	-	-	38,841.00	38,841.00
<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.

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>16b Non Current Investments</b>		
Investments in Equity Instruments	15,000	15,000
a. Rander Peoples' Co-op. Bank Limited 150 (Previous Year 150) Equity Shares of ₹ 100/- each fully paid up		
	15,000	15,000
Further Details		
Aggregate value of quoted investments and market value	-	-
Aggregate amount of unquoted investments	15,000	15,000
Aggregate provision for diminution in value of investments	-	-
	15,000	15,000
<b>Accounting for Investments</b>		
Investments are stated at cost of acquisition.		
<b>16c Long Term Loans and Advances</b>		
(a) Capital Advances;	2,775,906	2,775,906
(b) Security Deposits;	277,868	321,968
(d) Other loans and advances (Income Taxes).	9,123,021	8,954,711
	12,176,796	12,052,586
(ii) The above shall also be separately sub-classified as:		
(b) Unsecured, considered good;	12,176,796	12,052,585
	12,176,796	12,052,585

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>17 Current Assets</b>		
<b>17a 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>6,011,081</b>	16,187,252
	<b>6,011,081</b>	16,187,252
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. In case of finished goods which are manufactured, the cost of labour incurred for converting raw material into finished goods and which are lying in the stock are added to the stock of finished goods.		
<b>17b Trade Receivables</b>		
Outstanding For More than six months	<b>251,669,932</b>	264,999,657
Less than six months	-	10,791,381
	<b>251,669,932</b>	275,791,038
Sub-classified		
Unsecured, considered good	<b>251,669,932</b>	279,804,464
	<b>251,669,932</b>	279,804,464
<b>17c Cash and Cash equivalent</b>		
(a) Cash and Cash equivalent		
Balances with Banks	<b>2,635,064</b>	3,104,139
Cash on hand	<b>467,378</b>	265,836
	<b>3,102,442</b>	3,369,974
<b>17d Short Term Loans and Advances</b>		
(a) Other Loans and Advances (specify nature)		
Prepaid Insurance & Other Expenses	<b>90,544</b>	104,295
Advance to Supplier	<b>6,301,350</b>	5,949,850
Others Advances	<b>52,800</b>	-
Advance to Staff	<b>65,000</b>	60,000
	<b>6,509,694</b>	6,114,145
Sub-classified		
Secured, considered good	-	-
Unsecured, considered good	<b>94,544</b>	104,295
<b>17e Contingent Liabilities</b>		

The company has a contingent liability of income tax of ₹ 4,75,820 in respect for A.Y. 2008-2009, ₹ 24,54,410 in respect for A.Y. 2011-2012, ₹ 1,17,12,740 in respect for A.Y. 2013-2014.

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>18 Revenue from Operations</b>		
(a) Sale of Products	<b>31,839,906</b>	539,245,413
	<b>31,839,906</b>	539,245,413
<b>19 Other Income</b>		
(a) Interest Income	-	708,218
(b) Other non-operating income	<b>60,000</b>	930,645
(c) Exchange Difference	<b>12,827,905</b>	8,896,940
	<b>12,887,905</b>	10,535,803
<b>20 Cost of Materials Consumed</b>		
Opening Stock of Rough Diamonds	-	-
Add: Purchases during the year	-	-
Less: Closing Stock of Rough Diamonds	-	-
	-	-
<b>21 Purchase of Finished Goods</b>	<b>21,197,518</b>	494,303,946
(Cut and Polished Diamonds, Gold Jewellery & Pearls)		
<b>22 Changes in inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
Finished Goods (Cut & Polished Diamonds)		
Closing Stocks	<b>6,011,081</b>	16,187,252
Less: Opening Stocks	<b>16,187,252</b>	30,739,128
	<b>10,176,171</b>	14,551,876
Work In Progress		
Closing Stocks	-	-
Less: Opening Stocks	-	-
	-	-
Stock in Trade		
Closing Stocks	-	-
Less: Opening Stocks	-	-
	-	-
	<b>10,176,171</b>	14,551,876

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>23 Employee Benefit Expenses</b>		
(1) Salaries and wages	<b>2,515,500</b>	2,821,500
(2) Directors Remuneration	<b>1,625,000</b>	1,625,000
(3) Staff Welfare Expenses	<b>162,678</b>	229,727
	<b>4,303,178</b>	4,676,227
<b>24 Finance Cost</b>		
(1) Interest Expenses	<b>4,435,845</b>	6,473,801
(2) Other borrowing cost	<b>9,534,647</b>	5,226,570
	<b>13,970,492</b>	11,700,371
<b>25 Depreciation and Amortisation Cost</b>		
Deprecation on Fixed Assetss	<b>2,244,699</b>	1,341,499

# SUNRAJ DIAMOND EXPORTS LTD.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	AS AT 31.03.2016 ₹	AS AT 31.03.2015 ₹
<b>26 Other Expenses</b>		
Advertisement and Sales Promotion	53,111	332,233
Agency Commission on Import /Export	-	8,175
Rates and Taxes, excluding taxes on income	-	5,524
Assortment charges	-	666,890
Audit Fees	230,000	308,990
Office Expense	55,759	37,055
Brokerage & Commission	-	804,974
Business Promotion	-	286,168
Clearing & Forwarding chgs (Import & Export )	-	13,046
Conveyance & Travelling Expenses-Local	58,187	87,783
Donation	-	11,000
Exhibition Fees	-	202,906
Insurance	177,444	202,641
Legal & Professional Fees	1,028,604	825,078
Listing Fees	237,080	112,360
Membership & Subscription	148,908	76,533
Miscellaneous Expenses	49,780	18,119
Postage,Telephone & telex	522,036	679,455
Printing & Stationery	205,801	102,060
Registration & Trf Agent Fees	59,633	59,085
Electricity Charges	70,374	70,132
Rent & Maintenance Charges	1,244,978	1,599,440
Travelling Expenses-Foreign	96,568	422,055
Vehicle Expenses	525,805	565,398
Excess Depreciation written off as per Schedule II of the Companies Act, 2013	1,878,812	-
	<u>6,642,880</u>	<u>7,497,100</u>
<b>27 Exceptional Items</b>		
(1) Gain on Disposals of items of Fixed Assets	3,255,445	-
	<u>3,255,445</u>	<u>-</u>
<b>28 Tax Expenses</b>		
Current Tax	250,000	-
Add: Excess / Short provisions of taxes	-	-
	<u>250,000</u>	<u>-</u>
Deferred Tax	(3,196,065)	53,845
	<u>(2,946,065)</u>	<u>53,845</u>

## SUNRAJ DIAMOND EXPORTS LIMITED

**Regd. Office :** Bharat Diamond Bourse, DC-6111B, Bandra Kurla Complex, Bandra - East, Mumbai 400 051.  
**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 26th Annual General Meeting of Sunraj Diamond Exports Limited being held on Friday, the 30th September, 2016 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 :** Bharat Diamond Bourse, DC-6111B, Bandra Kurla Complex, Bandra - East, Mumbai 400 051.  
**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 26th Annual General Meeting of the Company, to be held on Friday, the 30th September, 2016 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	Optional *	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of (a) Audited Financial Statement alongwith Reports of Board of Directors and Auditors thereon for the year ended 31st March, 2016		
2	Re-appointment of Mr. Sunil Gandhi as Director, who retire by rotation.		
3	Ratification of appointment of M/s. Bhupendra Shroff & Co., Chartered Accountant as Auditors of the Company.		
<b>Special Business</b>			
4	Re appointment of Mr. Sunny Gandhi as a Whole Time Director for a term of 3 years commencing from 1st October, 2016.		
5	Re appointment of Mr. Nirav Shah as a Whole Time Director for a term of 3 years commencing from 1st April, 2017.		

Signed this ..... day of ..... 2016.

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 26th 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.

**Book - Post**

To,

*If undelivered, please return to :*

***Sunraj Diamond Exports Ltd.***

Bharat Diamond Bourse, DC-6111-B,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051.