

**NOTICE**

**SUNRAJ DIAMOND EXPORTS LIMITED**

(CIN: L36912MH1990PLC057803)

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

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Shareholders of Sunraj Diamond Exports Limited will be held at Seva Sadan Society Hall, Pandita Ramabai Road, Gamdevi, Mumbai - 400007 on Monday 30th September, 2019 at 3.00 p.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) i.e. Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss Account and the Cash Flow statement for the financial year ended on 31st March, 2019 and the reports of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Sunny Gandhi (DIN 00695322), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sunil Gandhi (DIN 00322196), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditor to fill Casual Vacancy.

To consider and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s Anoop Agarwal & Company, Chartered Accountants, (FRN No. 001739C), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s Shah Khakhi & Associates, Chartered Accountants.

**RESOLVED FURTHER THAT** M/s Anoop Agarwal & Company, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from 13th August, 2019, until the conclusion of the 29th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

5. Appointment of Statutory Auditor

To consider and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s Anoop Agarwal & Company, Chartered Accountants, (FRN No. 001739C) be and are hereby appointed as Statutory Auditors of the Company, to hold office for a period of 5 years, from the conclusion of the 29th Annual General Meeting until the conclusion of the 34th Annual General Meeting to be held in the year 2024 on such remuneration and reimbursement of out of pocket expenses as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

6. Re-appointment of Mr. Sunny Gandhi as Whole-time Director.

To consider and to pass 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, 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 (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, 2019, on the remuneration and 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, 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 and Mr. Anshul Garg, Company Secretary, be and are 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**

Sd/-

**ANSHUL GARG**  
Company Secretary  
(Membership No. A43709)

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

**Dated: 13<sup>th</sup> August, 2019**

**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 Companies, Societies, etc., must be supported by an appropriate resolution/authority, as applicable.

A person shall not act as a Proxy for more than 50 Members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a Member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out all material facts and details relating to the Special Business i.e. for Item Nos. 4 to 6 is annexed hereto.
3. Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 on “General Meetings”, the particulars of Directors proposed to be re-appointed at the Meeting, are annexed to the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25/09/2019 to 30/09/2019 (both days inclusive).
5. Members are requested to notify immediately any change of address;
  - (i) To their Depository Participants (DPs) in respect of their electronic share accounts, and
  - (ii) To the Company's Registrar & Share Transfer Agents, M/s Adroit Corporate Services Pvt. Ltd. 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri - East, Mumbai - 400 059, in respect of their physical share folios, if any, quoting their folio numbers.
6. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained either from the website of the Company at [www.sunrajdiamonds.com](http://www.sunrajdiamonds.com) or from the Registrar & Share Transfer Agents at their aforesaid addresses.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their dematerialized accounts. Members holding shares in physical form can submit their PAN details to the Company along with the proof thereof.
8. SEBI had vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and SEBI/ LAD-NRO/GN/2018/49 dated November 30, 2018 read with BSE circular no. list/comp/15/ 2018-19 dated July 05, 2018 directed that the transfer of securities would be carried out in dematerialized form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However Members can continue to hold shares in physical form. In view of the above and to avail free transferability of shares and the benefits of dematerialization, members are requested to consider dematerialization of shares held by them in physical form. The Company will abide by the guidelines issued by Statutory Authorities from time to time in the matter.
9. 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.
10. 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.
11. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
12. Members are requested to bring their copy of the Annual report to the Meeting.
13. 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. 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 Friday 27th September, 2019 at 9.00 a.m. and ends on Sunday 29th September, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 23rd September, 2019 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
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) Company as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e. "Sunraj Diamond Exports Limited" on which you choose to vote.
- (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.
- (xx) 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 along with the Scrutinizer's report shall be placed on the website of CDSL immediately after the declaration of result by the Chairman. The result shall also be immediately forwarded to BSE Limited where the shares of the Company are listed.

**For and on behalf of the Board of Directors**

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

**ANSHUL GARG  
Company Secretary  
(Membership No. A43709)**

**Dated: 13<sup>th</sup> August, 2019**

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

Item Nos. 4&5

M/s. Shah Khakhi & Associates, Chartered Accountants, (FRN: 0126506W), Statutory Auditors of the Company tendered their resignation on 13th August, 2019, stating that they did not wish to continue as Statutory Auditors of the Company. Hence at the Board Meeting held on 13th August, 2019 M/s. Anoop Agarwal & Company, Chartered Accountants, (FRN: 001739C) were appointed to fill the casual vacancy created by the resignation of M/s. Shah Khakhi & Associates, the Statutory Auditors of the Company to conduct the audit for the financial year 2019 - 2020.

Pursuant to the provisions of Section 139(8) of the Companies Act, 2013, the Company needs to approve the appointment of M/s. Anoop Agarwal & Company, Chartered Accountants, in the General Meeting of the Company within 3 (three) months from the date of appointment by the Board.

Hence, approval of the Members is sought for the resolution proposed at item number 4 of the notice.

Further, the Company has proposed the appointment of M/s. Anoop Agarwal & Company as Statutory Auditors vide resolution at item number 5 of the notice, for the period of 5 (five) years from the conclusion of the ensuing Annual General Meeting until the conclusion of the 34th Annual General Meeting.

The Board of Directors recommend the resolutions for your approval.

None of the Directors and Key Managerial Personnel are interested in these resolutions.

Item No. 6

Mr. Sunny Gandhi was re-appointed as Wholetime Director for a period of 3 years with effect from 1st October, 2016 to 30th September, 2019. The Shareholders had approved his re-appointment at the 26th Annual General Meeting held on 30th September, 2016. Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on 13th August, 2019 re-appointed Mr. Sunny Gandhi as Whole time Director designated as Executive Director for a further period of 3 years commencing from 1st October, 2019 to 30th September 2022, subject to the approval of the Members.

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

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

The re-appointment of the Whole time Director will be on the following terms and conditions:

1. Term of Office:

Name	Designation	Period
Mr. Sunny Gandhi	Executive Director	1st October, 2019 to 30th September, 2022

2. Remuneration:

a) Salary

Name	Salary
Mr. Sunny Gandhi	Rs. 50,000/- to Rs. 1,00,000/- p.m.

The 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

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

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

c) Other Perquisites

- i. Company's contribution to Provident Fund, Superannuation Fund/ Annuity Fund to the extent these are singly or put together are not taxable under the Income Tax Act, 1961 (43 of 1961);
- ii. Gratuity at the rate of half a month's salary for each completed year of service; 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, Whole time Director, in accordance with the provisions of the Companies Act, 2013 or any amendments made therein.

**MINIMUM REMUNERATION:**

In the event of 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 Mr. Sunny Gandhi, Executive Director, not exceeding the limits specified in para A of Section II of Part II of Schedule V to the 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.

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, 2019 is as under :-

₹ ( In Lakhs)

Particulars	Year Ended 31.03.2019 (Consolidated)	Year Ended 31.03.2019 (Standalone)
Sales and other Income	3,02,82,400	3,02,82,400
Profit/(Loss) before Interest and Depreciation	10,56,57,009	(68,40,727)
Less Interest	(1,09,28,171)	(1,09,28,171)
Profit/(Loss) before Depreciation	(52,71,162)	(1,77,68,898)
Less/Add: Depreciation	3,38,532	3,38,532
Profit/(Loss) Before Taxation	(56,09,694)	(1,81,07,430)
Less: Provision for Taxation (Net)	NIL	NIL
Less: Tax Adjustment relating to prior years	4,24,281	4,24,281
Add/(Less): Deferred Tax	1,38,519	1,38,519
Net Profit/(Loss) after Tax	(58,95,456)	(1,83,93,192)

Foreign investments or collaboration Sunraj Diamonds

DMCC

Information about the appointee

Nature of Information	Mr. Sunny Gandhi	
Background details	Graduation in Commerce, Finance and Management	
Past Remuneration	Year	Rs.
	2016-17	50,000 p.m.
	2017-18	50,000 p.m.
	2018-19	50,000 p.m.
Job profile and suitability	Mr. Sunny Gandhi has completed his B.Com. and has obtained training in manufacturing and assortment of rough and polished diamonds.	
Remuneration proposed	As mentioned in the Explanatory Statement Under Section 102 of the Companies Act, 2013.	
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration proposed takes into consideration nature and size of business operations; the qualifications, experience and contribution of the appointee 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 not been increased in view of the inadequate profits of the Company.	



Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.	Mr. Sunny Gandhi does not have any pecuniary relationship with the Company except as remuneration drawn as Executive Director and as a shareholder to the extent of his shareholding in the Company.
Other Information Reasons of loss or inadequate profits	Slowdown in the Diamond Industry.Reduction in Sales and Profitability.
Steps taken proposed to be taken for improvement	The Company has embarked on an expansion program for business in domestic market and has also diversified the product range.
Expected increase in productivity and profits in measurable terms.	Company has recorded a turnover of Rs. 192.81 lacs during FY 2018-19. 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 re-appointment and remuneration payable to Mr. Sunny Gandhi is 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 an abstract pursuant to Section 190 of the Companies Act, 2013.

Mr. Sunny Gandhi is son of Mr. Sunil Gandhi and Husband of Mrs. Shruti Gandhi, Directors of the Company. Apart from Mr. Sunny Gandhi, Mr. Sunil Gandhi and Mrs. Shruti Gandhi, none of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

The Directors recommend the resolution for approval of the Members.

**For and on behalf of the Board of Directors**

Sd/-

**ANSHUL GARG**

**Company Secretary**

**(Membership No. A43709)**

**Registered Officer  
1412-1414, Prasad Chambers,  
Opera House,  
Mumbai - 400004.**

**Dated: 13<sup>th</sup> August, 2019**