



SUNRAJ DIAMOND EXPORTS LTD.



Annual Report 2012-2013



SUNRAJ DIAMOND EXPORTS LTD.

1008, Panchratna, Mama Parmanand Marg, Opera House
Mumbai - 400 004 Maharashtra India

Change Has Got Us

Where We Are Right Now

INDEX

1. Chairman's Message	03
2. New Beginnings	05
3. About Us	07
4. Team	09
5. Diamonds in India	11
6. Notice	12
7. Directors Report	14
8. Annexure to Director's Report	18
9. Report on Corporate Governance	20
10. Independent Auditors Report	28
11. Balance Sheets	34
12. Profit and Loss	35
13. Cash Flow	36
14. Notes on Financial Statements	38
15. Statement Pursuant	49
16. Independent Auditors Report	50
17. Consolidated Balance Sheet	52
18. Consolidated Statements of Profit and Loss	53
19. Consolidated Cash Flow	54
20. Consolidated Notes on Financial Statements	56



“Progress is impossible without Change...”

CHAIRMAN'S MESSAGE

Dear Shareholders,

Change has been a predominant factor in this financial year for the world, for the economy and for Sunraj Diamond Exports Ltd. A whirlpool of events have transcended into an eventful year for everyone. If gold prices were not volatile enough, the dollar rate was and is having its own joyride.

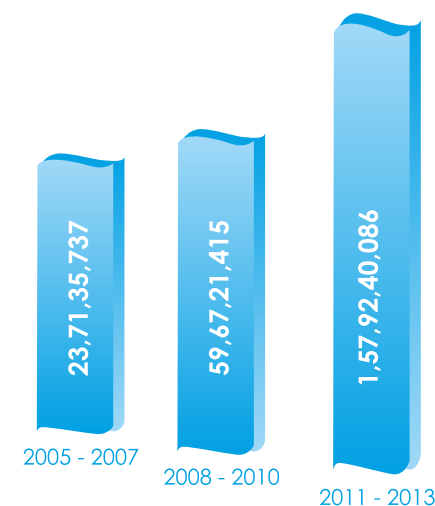
These definitely are testing times to say the least. However it is said, that we should never lose hope, and what better way to work through it then work harder. Times like these actually help us to visualize what the changes are, that are happening in the industry, identifying them and seeing how everyone is adapting to its environment and changing to help it deal with all these challenges that are happening around us.

On a positive note, things are looking bright and sparkling in Botswana's capital Gabarone. With the world's biggest diamond mining company De Beers shifting its USD 5.5 Billion Annual Rough Diamond Sales Operation there from London. According to sources, by the end of 2013, over 25-30 of the World's Leading Diamond Companies of Diamond Trading Company (DTC), a rough diamond distribution arm of De Beers, will fly to Gabarone 10 times a year to buy diamonds and participate in the annual sales held there. This gives traders a chance to buy big-sized rough diamonds from Johannesburg.

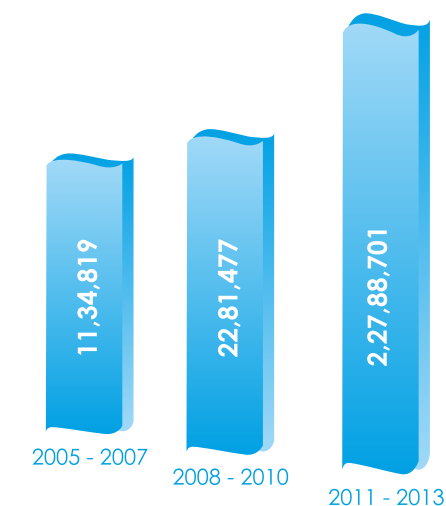
The DTC, which has an average Annual Rough Diamond Sales worth USD 5.5 Billion, organizes about 10 sales sights every year for its clients. As about 37 clients of DTC are Indians, about 55 per cent of the stock to be put up for sale throughout the year comes to India - about USD 2.8 Billion worth of goods. While the DTC sightholder companies would keep a certain amount of goods for processing and value addition, rest of the goods would be sold in the open market to the small and medium unit owners on premium price.

India is by far the largest diamond cutting centre and largest customer of rough diamonds, responsible for 72 per cent of the worldwide consumption - the annual rough diamond demand is pegged at USD 11 Billion. China and Israel are distant second and third respectively, with only 11 per cent and 7 per cent of global rough consumption, respectively.

TURNOVER in ₹



NET PROFIT in ₹



“Change is an integral part of success...”

NEW BEGINNINGS

On the home front, Sunraj Diamond Exports Ltd. has ventured on foreign soil and we have decided to set up a subsidiary of our Indian Listed entity in Dubai. Owing to a steady increase in Client Base and Sales in the Middle East we thought it would be advantageous to have a local presence in Dubai.

The main reason for having a foothold in Dubai can be pointed out as

- ~ Easy availability of loose diamonds and jewellery
- ~ An increasing number of clients looking for a one-stop-shop wherein most materials are sought under one roof
- ~ Dubai is becoming a hub to source Diamonds and Jewellery

These reasons have pushed us in deciding to capitalize on the opportunity and commence activities immediately. We plan to trade Polished Diamonds and Gold and Diamond Jewellery in Dubai.

In our first year of functioning (2013-2014) we expect to achieve a turnover of about USD 5-7 Millions.

Capital will be injected into the Dubai Subsidiary under the automatic route.

Details of the same are available below:

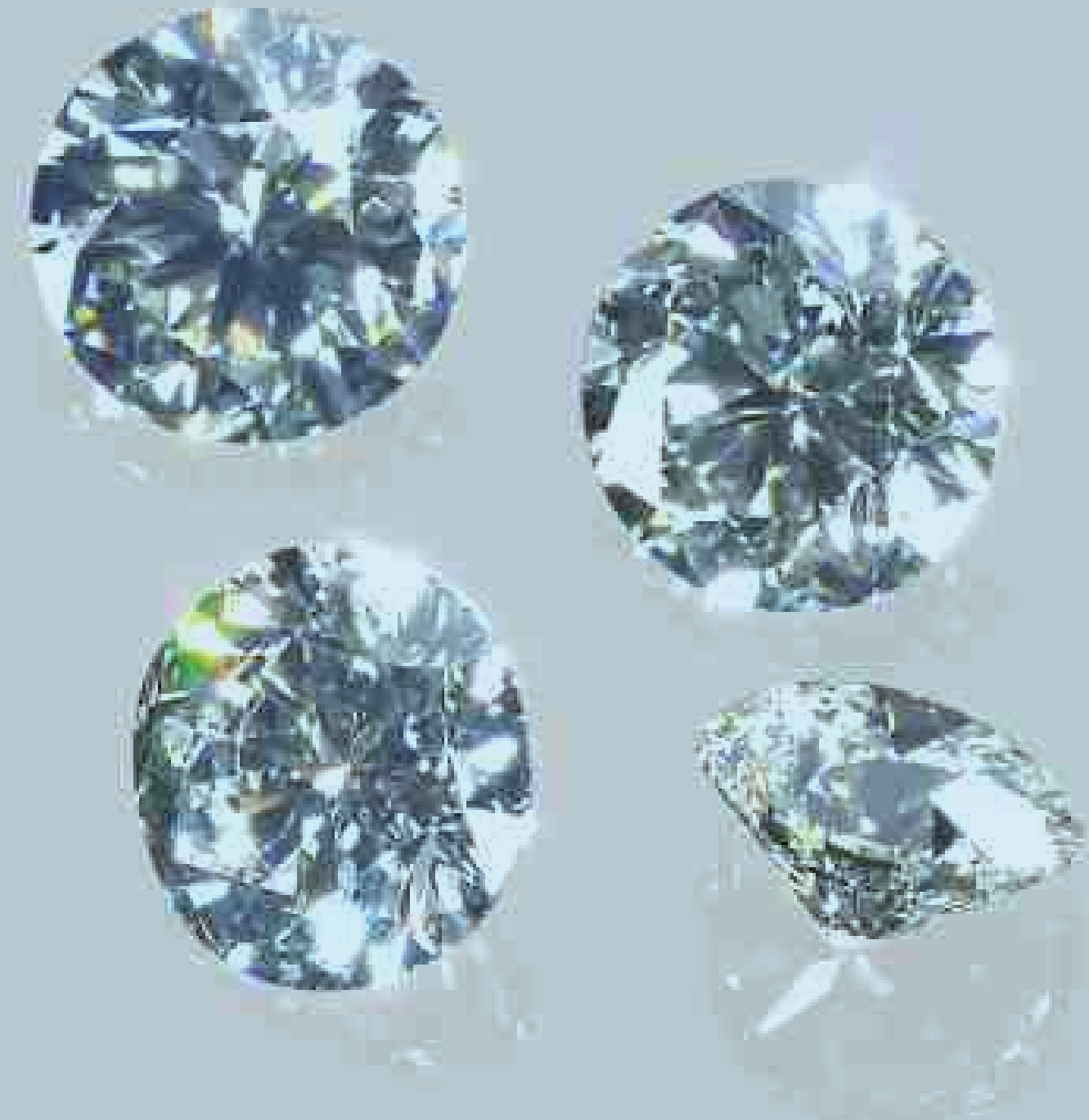
Investment by way of Equity – USD 110,000.00

We have to be flexible and try to provide full service to stay ahead of the up-and-coming changes in the industry.

After all, Change is always meant for the better.



“we need to be the change we want to see in the world...”
Mahatma Gandhi



ABOUT US

Sunraj Diamonds Exports Pvt. Ltd. was incorporated in 1990. They commenced their business in Cutting and Polishing of Rough Diamonds and have a cutting facility in Surat. They manufacture polished diamonds meant for the export market.

A family business started by, the Late Shri Chandrakant D. Gandhi along with his 2 sons Mr. Sunil Gandhi and Mr. Rajesh Gandhi. They were instrumental in increasing the business to the stage it has reached today. The journey continues with the injection of youth with Mr. Sunny Gandhi and Mr. Nirav Shah.

In 1991, the company was successfully listed on the Bombay Stock Exchange and its shares are actively traded on the exchange. The company ventured into foreign markets such as Europe, the Far East and very recently Dubai and has therefore had a significant advantage in understanding the dynamics of business demands and methodologies.

In the years between 2005 to 2008, there was a fresh infusion of young blood and this bolstered the marketing and sales capacity of the company thereby increasing sales and was instrumental in forging new alliances.

As a public listed company, they are dedicated to rewarding their investors with the faith that they have reposed in them and supporting their venture in the 21st century. With 3 generations of experience they aim to adjust to the changing business attitudes and methods and continue to strive to meet their clients' demands and be a serious competitor in today's market.

TEAM

It is said that an organization is as good as its core team. Visionaries and Key Ancillary Team Players are part of every successful organization. Sunraj Diamonds can proudly boast of an enviable team with an illustrious background.

Mr. Sunil. C. Gandhi

Director of Sunraj Investment and Finance Pvt. Ltd. and Gunial Investment and Trading Pvt. Ltd. is a B. Com Graduate and has obtained training in manufacturing Rough and Polished Diamonds.

Mr. Sunny Gandhi

Director of Sunraj Investment and Finance Pvt. Ltd. is a B. Com Graduate also trained in Manufacturing and Assortment of Rough and Polished Diamonds. He is also a director of K. D. Shah Investments Pvt. Ltd. and Gunial Investment and Trading Pvt. Ltd.

Mr. Nirav Shah

Director of Sunraj Diamond Exports Ltd. is a Graduate and has trained in Manufacturing and Polishing of Rough Diamonds.

Mr. Jimit Shah

Currently working as an assistant VP with Barclays International Bank is an Independent Director at Sunraj Diamond Exports Ltd. He is highly qualified with a degree in B. Com, C. A. and C. F. A. His experience in finance is an advantage to the company.

Mr. Hargovind Shah

An Educationalist and Social worker has a vast knowledge in Management and Administration and accounting. He is the Chairman of Audit committee and a Member of Shareholders.

“change is inevitable, when pursued with purpose...”

“change should be from within...”



DIAMONDS IN INDIA

India plays a pivotal role in the global market, be it in spices, IT or even diamonds. The current market scenario may not be very healthy, but the world still perceives India as one of the major player across different sectors.

And it is no surprise because India possesses the world's most competitive gems and jewellery market.

A low cost of production and a highly skilled artisan force for designing and crafting jewellery, along with strong government support in the form of incentives and establishment of special economic zones (SEZs), are various reasons the diamond industry, in India, is growing leaps and bounds.

According to the analysis

India has the unique distinction of not only being one of the first countries to introduce diamonds to the world but also being one of the highest consumers of rough diamonds in the world.

The increase in imports of Rough Diamonds by 12.65 per cent indicates an increase in cutting, polishing and other manufacturing activities in India.

This change is welcomed as it is in perfect sync with the ever expanding development, with new technology and a healthy competition thus placing the Mumbai Diamond market on par with Antwerp recognized as a major Diamond Buying and Trading Hub.

Antwerp for Rough Diamonds and Mumbai for Polish Diamonds.

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the shareholders of Sunraj Diamond Exports Limited will be held at Seva Sadan society's, Malabari Memorial Hall, Pandita Ramabai Road, opp. Telephone Exchange, Gamdevi, Mumbai - 400 007 on Monday, 30th September, 2013 at 11.30am to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors' and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Sunil Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Hargovind Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration.

For and on behalf of the Board of Directors
SUNNY GANDHI
 Executive Director

Registered Office

1008, Panchratna,
 Mama Parmanand Marg,
 Opera House,
 Mumbai 400 004

Dated: 29th June, 2013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
2. The Register of Members and the share transfer books will remain closed from 24th September, 2013 to 30th September, 2013 both days inclusive.
3. A Dividend of ₹ 1/- per Ordinary Share of ₹10/-, as recommended by the Board, if declared at the forthcoming Annual General Meeting, will be paid, subject to the provisions of Section 206A of the Act, on or after 16th October, 2013, to those Members or their mandates whose names stand registered in the Company's Register of Members:
 - as Beneficial Owners as at close of Business on 1st October, 2013 as per the lists to be furnished by **National Securities Depository Limited** and **Central Depository Services (India) Limited** in respect of shares held in **electronic form**, and;

- as Members in the Register of Members of the **Company** after giving effect to valid share transfers in physical form lodged with the Company or the **Share Transfer Agents** on or before 24th September, 2013. Instruments of Share Transfers, complete in all respects, should reach the **Share Transfer Agents i.e. Ajel Infotech Limited, Unit : Sunraj Diamond Exports Limited** 106, Oshiwara Link Plaza Commercial Complex, 2nd Floor, New Link Road, Oshivara, Jogeshwari (West), Mumbai 400 102 well before the book closure date .
4. Members are requested to bring their copies of Annual Report and Accounts to the Meeting.
 5. (a) Members desirous of receiving Notices and/or documents from the Company through the electronic mode are urged to update their email addresses with their **Depository Participants**, where shares are held in electronic form and to the **Share transfer Agents** where shares are held in physical form.

(b) Email addresses of Members as advised to the **Registrar and Share Transfer Agents** where shares are held in physical mode or **registered with Depositories** where shares are held in the electronic mode will be deemed to be the Member's registered email address for serving Company documents/notices as per provisions of the Act and the instructions of the Ministry of Corporate Affairs. Members intending to refresh / update their email addresses should do so as soon as possible.
 6. Members holding shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Share Transfer Agents** enclosing the relevant Share Certificates requesting consolidation of such folios into one Folio.
 7. As per the provisions of the Act, the facility for making nominations is available to individuals holding shares in the Company. The Nomination **Form-2B**, prescribed by the Government for the purpose, can be obtained from the **Share Transfer Agents**.

DIRECTOR'S REPORT

To,
The Members,
SUNRAJ DIAMOND EXPORTS LIMITED

The Directors' have pleasure in presenting their Twenty Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS:

	STANDALONE				CONSOLIDATED	
	March 31, 2013		March 31, 2012		March 31, 2013	
Profit before depreciation and interest	18,524,293		22,031,990		29,041,819	
Less: Depreciation	11,81,120		10,49,836		11,81,120	
Interest & Financial Expenses	85,48,817	97,29,937	77,17,030	87,66,866	85,48,817	97,29,937
Profit before Tax		8,794,356		13,265,124		19,311,882
Less: Provision for						
Taxation	2,984,000		4,366,925		2,984,000	
Deferred Tax	149,510	3,133,510	163,532	4,530,457	149,510	3,133,510
Profit for the year		5,660,846		8,734,667		16,178,372
Add / (Less) : Appropriation						
Provision of earlier years w/off	(74,604)		-		(74,604)	
- Proposed Dividend	(5,330,400)		(5,330,400)		(5,330,400)	
- Dividend Distribution Tax	(864,725)		(864,725)		(864,725)	
- Trf. to Reserves	(139,656)	(6,409,385)	(218,367)	(6,413,492)	(139,656)	(6,409,385)
Add: Surplus brought forward from previous year	25,326,551	25,326,551	23,005,376	23,005,376	25,326,551	25,326,551
Balance Carried to Balance Sheet		24,578,012		25,326,551		35,095,538

DIVIDEND:

Considering the Company's performance, your Directors have recommended for approval of the shareholders a dividend of ₹ 1/- per Equity Share. (Previous Year ₹ 1/- per Equity Share). The total cash outgo on account of dividend for the year 2012-13 works out to ₹ 61.95 Lakhs including the Dividend Distribution Tax. The dividend subject to its declaration will be distributed to the shareholders, whose names appear on the Register of Members as on 30th September, 2013.

OPERATIONS:

Your company has recorded a turnover of ₹ 50.73 cores during the year under review. The beginning of the financial year saw strong demand for Polished Diamonds in the local and international markets. The local market performed much better than previous years with substantial growth being recorded as opposed to exports.

The weakening currency played a major factor in determining the course of business activities through the financial year. The cost of Imports of Rough Diamonds rose substantially, as a result of which the raw material became more expensive. The effect of the currency translated into the local market seeing robust trading activity and therefore being able to procure Polished Diamonds at cheaper prices in dollar terms. This caused the company to reduce its manufacturing activity marginally and opt for local purchases towards the end of the financial year. The availability of Polished Diamonds at cheaper prices in the local market also translated in more profits being made on exports to our regular clients.

Order books being firm and growing over the years, our clients seemed to have retained faith in our abilities, and commitments to carry forward the ties have been displayed across various sizes and qualities of Polished Diamonds. The company continues to strive to move towards an in-house manufacturing base, however the current market conditions are such where the board feels that the outsourcing model still outweighs the fixed cost regime. In order to conserve resources through the difficult times ahead the board has decided to postpone the plan of setting up a manufacturing facility and try and remain as liquid as possible.

UNCLAIMED / UNPAID DIVIDEND (TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND)

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, unclaimed dividend which remains unpaid for a period of seven years shall be transferred to Investor Education & Protection Fund. Accordingly, the Company is not yet required to transfer unclaimed dividend to the said fund.

It may be noted that upon the transfer of dividend to Investor Education & Protection Fund, members lose their right to claim such dividend. Therefore Members are requested to claim the amount of Unpaid/unclaimed dividend for the year 2010-2011 onwards.

SUBSIDIARY COMPANIES

Your Company has incorporated a wholly owned foreign subsidiary Company in Dubai at the Dubai Multi Commodities Centre (DMCC), UAE in the name of SUNRAJ DIAMONDS DMCC. The above subsidiary company has started its business operations in the year under review.

CONSOLIDATED FINANCIAL STATEMENT

Sunraj group has reported a consolidated revenue of ₹ 65.82 crores for the financial year ended on 31st March, 2013, Consolidated profit before tax stood at ₹ 1.93 crores and consolidated Profit after tax stood at ₹ 1.61 Crores. There are no consolidated figures available for the previous year as the subsidiary company has started its business operations only from January 2013. In accordance with the Accounting Standard AS-21 on Consolidated Financial Statement read with Accounting Standard AS-23 on Accounting for investment in Associates, your Directors provide the Consolidated Audited Financial Statement in the Annual Report.

However, in accordance with the general circular No. 2/2011 dated 8th Feb, 2011, issued by the Ministry of Corporate affairs, Government of India, the Balance Sheet, Profit and Loss account and other documents of the subsidiary company are not being attached with balance sheet of the Company. However the financial information of the subsidiary company is disclosed in the Annual Report in compliance with the said circular. Your Company will make available the said annual accounts and other related information of the subsidiary company upon request of any member of the Company or its subsidiary company and same will also be kept open for inspection by any member at the registered office of the Company and subsidiary company.

DIRECTORATE:

In accordance with Article 109 of the Articles of Association of the Company, Mr. Sunil Gandhi and Mr. Hargovind Shah retire by rotation but being eligible, offers themselves for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the annexure to the Report.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and therefore, this information has not been furnished as part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) Appropriate accounting policies have been selected and applied consistently, and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March, 31st 2013 and of the Company for the period 1st April, 2012 to 31st March, 2013.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounts records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 to the Listing Agreement with the Stock Exchange a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance form part of this Report.

AUDITORS:

Shareholders are requested to appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting. The retiring Auditors, M/s Bhupendra Shroff & Co., being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENTS:

The Directors acknowledge the co-operation and assistance received from the Banks and various Government agencies both Central and State.

The Directors wish to place on record their sincere appreciation of the contribution made by the employees at all levels of the organizations who have greatly contributed to the results.

For and on behalf of the Board of Directors

SUNNY GANDHI
Executive Director

NIRAV SHAH
Executive Director

Place: Mumbai,
Dated: 29th June, 2013

ANNEXURE TO DIRECTOR'S REPORT

Statement pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY :

During the year under review, the energy consumption was maintained at a very minimum level and the Company continues to endeavor that the consumption does not rise. The particulars of total energy consumption and energy consumption per unit of production are not applicable.

B) TECHNOLOGY ABSORPTION - FORM 'B' :

1. Research & Development

- | | |
|---|-------|
| i) Specific areas in which Research and Development is carried out by the Company | } NIL |
| ii) Benefit derived as a result of the above Research & Development | } NIL |
| iii) Future plan of action | } |
| iv) Expenditure on Research & Development | } |

2. Technology Absorption, Adaptation and Innovation.

The Company has no technical collaboration in respect of manufacture of Diamonds which includes cutting, polishing and finishing.

For and on behalf of the Board of Directors

SUNNY GANDHI
Executive Director

NIRAV SHAH
Executive Director

Place: Mumbai
Dated: 29th June, 2013

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENT**

The industry continues to evolve from its origins with newer technology entering the market in order to assist in making different business practices more efficient. The entry of different programs that assist in manufacturing processes, stock keeping programs, up gradation of machinery, security systems and many other technological developments have assisted the trade in economizing on costs and maximize the output and quality of the finished product. Several manufacturing companies that we work with have improved their internal functions and as a result of the same, the cost of manufacturing has marginally risen, but the quality of the Polished Diamonds has improved with more recovery rate being achieved by the cutters. This remains an important factor in deciding the overall cost of the finished product. Immense focus is now being made on creating more value for the finished product by inducting more complex machines which aid in the manufacturing process

OPPORTUNITIES AND THREATS

The weakening currency has proved to be the foremost opportunity and threat for different stakeholders of the industry. Manufacturers are forced to raise their raw material costs as a result of the currency, thereby creating more cash transactions or forward contracts (outward / imports) in order to safeguard against the risk of future depreciation. The traders are on the contrary are very optimistic as it provides them a superb opportunity to purchase the product at cheaper prices in dollar terms, thereby making exports more profitable for them. The recovery of the United States has proved to be a huge boost for the industry as the cheaper goods have seen firm demand and stable prices across all asset classes. This will continue to blossom as long as the US economy is on its path to recovery.

The major threats we see are from the point of view of liquidity. Banks are becoming stricter, credit terms are shortened, and lending has shrunk as compared to previous years. Many firms are forced to infuse more personal money into the business as opposed to borrowing. The banks have been hit by several happenings in the trade due to which suspicion over the authenticity of usage of money by stakeholders in the business is constantly being questioned. Coupled with the problem of liquidity, comes the problem of rising interest rates. Both these factors are being closely looked into by the management and appropriate steps are being taken in order to safeguard against the rising threats to the trade.

SEGMENT WISE PERFORMANCE

The company continues to trade in Polished Diamonds with the outsourcing of Rough Diamonds to Polished diamonds gradually picking up in the long run. In the coming years, the expansion of the Jewellery business will result in a new segment class being introduced with separate results and classification.

OUTLOOK

The diamond industry continues to be a major contributor to foreign earnings of the country. The weakening currency will see the earnings of exporter's rise tremendously and thus resulting in strong balance sheets for the current fiscal. The ever growing awareness of the product by the consumer continues to create more value and increase the sale potential of the product. The wedding season coming closer will see the smaller goods move faster and thus bringing a slow asset class back into a commanding position. Overall, the outlook of the trade is optimistic and we can look forward to a year of growth.

RISK AND CONCERN

The industry's major risk is the currency. If the management of finances vis a vis the dollar is not done correctly it could hamper the profitability of a company. The slowdown of exports could also translate into lower profits being earned due to the inability of capitalizing on a falling currency. Tightening liquidity by the banks will also prove to be a MAJOR drawback as company will have to evaluate alternate financing options for the future. Heavy Polished diamond inventories by traders could also result in a fall in prices. Lastly, the huge duties slapped on the import of gold may result in lower purchase of gold and diamond jewellery as the prices will be at an all-time high. This might result in weak sales numbers for retailers across the board.

Report on Corporate Governance
(Pursuant to clause 49 of Listing Agreement)

1. Company's Philosophy on code of Governance :

The Company is committed to bench marking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers and employees and ensuring a long term relationship of trust by maintaining transparency and disclosures. The Company is aiming at efficient conduct of the business in meeting its obligations to the shareholders.

The Company has adopted a Code of Conduct as required under clause 49 of the listing Agreement with the Stock Exchange. The Directors have confirmed compliance with the code of conduct for the year ended 31st March, 2013.

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 5. The Board comprises of two Executive Directors. The rest are Non – Executive Directors.

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

Number of Board Meetings held during the year along with the dates of meeting
In the financial year 2012– 2013, the Board met Eight times. The Board meetings were held on (1) 28th April, 2012, (2) 24th July, 2012, (3) 7th August, 2012, (4) 29th October, 2012 (5) 8th November, 2012 (6) 30th January, 2013, (7) 21st February ,2013 and 25th March, 2013..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:

Directors	Category	Shares held	Attendance Particulars		No. of other Directorship and Committee Membership/ Chairmanship held		
			Board Meeting	Last AGM	Director-Ships	Committee Member-ships	Committee Chairman-ships
Mr. Sunny S. Gandhi	WTD	681700	8	Yes	1	1	Nil
Mr. Hargovind Shah	NED	Nil	8	No	Nil	1	1
Mr. Nirav Kumar Shah	WTD	80367	8	Yes	Nil	1	1
Mr. Sunil Gandhi	NED	115000	8	Yes	2	Nil	Nil
Mr. Jimit Shah	NED	Nil	8	Yes	Nil	1	1

C: Chairman; MD: Managing Director; WTD: Whole time Director; NED: Non Executive Director
Directors who are Chairpersons of Committee have been included in the list of members as well. The Board periodically reviews compliance Reports of all laws applicable to the company as well as steps taken by the Company to rectify instances of non-compliances, if any.

None of the Directors is a Member of more than 10 Board – level Committees or Chairman of more than 5 such Committees, as required under clause 49 of the listing agreement, across all Companies in which they are Directors.

The Brief Profile of Director being appointed/re-appointed (pursuant to Clause 49 of the Listing Agreement):

1. Name of Director	Mr. Sunil C. Gandhi	Mr. Hargovind V. Shah
2. Date of Birth	18.02.1954	31.08.1930
3. Date of Appointment	31.08.1990	18.03.03
4. 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. Hargovind Shah is an educationalist and a social worker. He has vast knowledge in management and administration and accounting areas.
5. Qualifications	B.Com.	B.A. B.Ed.
6. Directorships in other Companies	Sunraj Investment and Finance Pvt. Ltd. Gunial Investment and Trading Pvt. Ltd.	Nil
7. Membership of committees	Nil	Chairman of Audit Committee Member of Shareholders Grievance Committee

3. Audit Committee:

Terms of reference, Composition:

The terms of reference of this committee covers the matters specified for Audit committee under Clause 49 of the Listing Agreement. The Chairman of the Audit committee is Mr. Hargovind Shah, an Independent Director.

Audit Committee meetings were held on

(1) 28th April, 2012, (2) 24th July, 2012 (3) 7th August, 2012 (4) 8th November, 2012 and (5) 30th January, 2013

The composition of audit Committee and attendance at its meetings is given hereunder:

Member	Position	No. of Meetings attended
Mr. Hargovind Shah	Chairman	5
Mr. Sunny Gandhi	Member	5
Mr. Jimit Shah	Member	5

The Chairman and the statutory auditors were the invitees to the above meetings.

Remuneration Committee:

The Listing Agreement with the Stock Exchanges provides that a Company may appoint a Committee for recommending managerial remuneration payable to the Directors. The Company has setup a remuneration committee for the said purpose. The main function of the Committee is to determine the remuneration payable to the Whole time Directors.

4. Remuneration Policy

The remuneration of the Whole time Directors is recommended by the remuneration Committee based on factors such as industry benchmarks, the Company's performance etc. Mr. Sunny Gandhi, the Executive Director has been paid salary of ₹ 6,00,000 for the year. Mr. Sunny Gandhi's Contract as Whole time Director of the Company expires on 30th September, 2016, terminable by 3 months Notice on either side. Mr. Nirav Shah, another Executive Director has been paid a salary of ₹ 7,50,000 for the year. Mr. Nirav Shah's Contract as Whole time Director of the Company is for a period of 5 years with effect from 1st April, 2009 upto 31st March, 2014 terminable by 3 months Notice on either side. No severance fees are paid under the said Agreement. The Company does not have any stock option scheme. No sitting fees are paid to the Non – Executive Directors.

5. Shareholders Grievance Committee

The Shareholders Grievance Committee comprises of two independent Directors, Mr. Jimit Shah and Mr. Hargovind Shah. Mr. Nirav Shah has been appointed as the Compliance Officer with effect from 26th February, 2009. There is no complaint that has remained un - redressed. There is no share transfer pending registration for more than 30 days as on the said date.

6. General Body Meetings

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

Financial Year	Day and Date	Time
2011 - 2012	Friday 28/09/2012	11.30 a.m.
2010 - 2011	Tuesday 27/09/2011	11.30 a.m.
2009 - 2010	Thursday 30/09/2010	11.30 a.m.

Location:

The AGM for the year 2010 - 2011 and 2011 – 2012 was held at Dadoba Jagannath Religious Trust, 21-A Gamdevi Road, Mumbai 400 007. The A. G. M for year 2009 - 2010 were held at Kshatriya Dnyati Sabha Grugha, 229 Raja Ram Mohan Roy Marg, Girgaum, Mumbai 400 004.

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. There are no related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval. The transactions with the related parties are disclosed in the notes to accounts in the Annual Report.

2. During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchanges or any regulatory authority for non-compliance of any matter relating to the capital market.

3. 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 review. A Declaration signed by Managing Director to this effect is annexed to this report

4. CEO/CFO Certification

As required under Clause 49 V of the listing Agreement with the Stock Exchanges, the Managing Director and G.M. Finance of the Company have certified to the Board regarding their review on the Financial Statements, Cash flow Statements and matters related to internal controls etc. in the prescribed format for the year ended 31st March, 2013.

8. Means of Communication

1. The financial results of the Company are published in widely circulating National dailies such as Free Press Journal and Nav - Shakti. These are not sent individually to the shareholder.

2. The Company's results or official news are not displayed on the Company's web site. There were no presentations made to the institutional investors or to the analysts.

3. The Management Discussion and Analysis Report form a part of this Annual Report.

9. General Shareholder Information

AGM Day, Date, Time	Monday, 30 th September, 2013 at 11.30 a.m.
Venue	Seva Sadan Society's, Malabari Memorial Hall, Pandita Ramabai Road, opp. Telephone Exchange, Gamdevi, Mumbai - 400 007
Financial Calendar	01.04.2012 to 31.03.2013
Un- Audited Financial Results	1 st Quarter 2 nd Week of August 2 nd Quarter 2 nd Week of November 3 rd Quarter 2 nd Week of February 4 th Quarter Last Week of May
Book Closure Period	24.09.13 to 30.09.13
Dividend Payment Date	16.10.2013

f) **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.

g) **Stock/Company/Security/Common Code:**

The Stock Exchange, Mumbai
Code: 23425

h) **Demat ISIN No. for Depositories:** 495D01014i) **Market Price Data:**

High/Low of the Company's Shares traded in the Stock Exchange, Mumbai, during the financial year 2012- 2013 is furnished below:

Month & year	Company's Share Price	
	High	Low
April 2012	17.25	15.25
May 2012	17.85	14.00
June 2012	15.60	13.85
July 2012	16.80	13.90
August 2012	16.40	13.30
September 2012	17.80	13.46
October 2012	16.30	13.75
November 2012	18.30	14.75
December 2012	17.50	14.70
January 2013	16.75	14.15
February 2013	15.25	13.70
March 2013	18.00	13.14

j) **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 Ajel Limited 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 at 106, Oshiwara Link Plaza Commercial Complex, 2nd Floor, New Link Road, Oshiwara, Jogeshwari (West) Mumbai 400 102.

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, 2013.

No. of Shares	No of Holders	%to total	No. of Share	% to total
1 to 500	8,644	94.25	12,75,027	23.92
501 to 1000	304	3.32	2,51,519	4.72
1001 to 2000	107	1.17	1,61,250	3.02
2001 to 3000	38	0.41	93,472	1.75
3001 to 4000	14	0.15	51,812	0.97
4001 to 5000	14	0.15	64,726	1.21
5001 To 10000	19	0.21	1,39,855	2.63
10001 and above	31	0.34	32,92,739	61.78
	9,171	100.00	53,30,400	100.00

Shareholding Pattern of the Company as on 31st March, 2013.

Sr. No.	Holder's	No. of Shares Held	% of Total
A	Promoters Holding	18,10,800	33.98
B	Institutional Investors		
a	Mutual Funds and UTI	7,500	0.14
b	Banks and Financial Institutions	1,600	0.02
C	Bodies Corporate	81,360	1.53
D	Indian Public	33,22,340	62.33
E	NRI's	106,800	2.00
	Total	53,30,400	100.00

Dematerialization of Shares & Liquidity

As on 31st March, 2013 **78.81%** of the Company's total shares representing 42,01,000 shares were held in dematerialized form.

Address for correspondence

1008, Panchratna,
Mama Parmanand Marg,
Opera House,
Mumbai 400 004

For and on behalf of the Board of Directors

SUNNY GANDHI **NIRAV SHAH**
Executive Director Executive Director

Place: Mumbai
Dated: 29th June, 2013

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 Diamond 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

SUNNY GANDHI
Executive Director

Place : Mumbai
Dated : 29th June, 2013

AUDITOR'S CERTIFICATE

We have examined the conditions of Corporate Governance by Sunraj Diamond Exports Limited for the year ended 31st March, 2013 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, but which has since then been complied with, 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,

B.N. Shroff
Partner

Place : Mumbai
Date: 29th June, 2013

Independent Auditor's Report

Report on the Financial Statements

1. We have audited the accompanying financial statements of Sunraj Diamond Exports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, 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 Financial Statements.

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and main tenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those 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 from material misstatement.
4. 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 and fair presentation of the financial statements 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

1. 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, 2013;
 - b) in the case of the Profit and Loss Account, of the profit/loss 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Bhupendra Shroff & Co.

Chartered Accountants
FRN: 101478W

B.N.Shroff

(Partner)
Membership No. : 5039
Place: Mumbai
Date: 29.06.2013

The Annexure referred to in paragraph 7 of the Our Report of even date to the members of Sunraj Diamond Exports Limited. on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

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.
- © In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

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.

- (a) 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 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. However the rate of interest & other terms & conditions of loans are not prima facie prejudicial to the interest of the Company.
- (c) The Company is regular in payment of principal amount and interest as stipulated. There are no overdue amounts payables by the company.

4. Internal Control System

- (a) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- (b) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. Contracts or arrangement referred to in this Section 301 of the Companies Act, 1956

- (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lac rupees in a financial year therefore requirement of reasonableness of transactions does not arises.

6. Public Deposits

The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. Internal Audit System

As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8. Cost Records

As per the information and explanation given to us, no cost records are prescribed by the central government under clause (d) of sub-section (1) of section 209 of the Act.

9. 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, 2013 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.

Nature of Tax liability	Amount (₹)	Nature of Dispute / Forum where the dispute is pending
Income Tax A.Y. 2002-03	8,86,480	Assessing Officer as the same was set aside by CIT(Appeals)

10. Accumulated Losses

The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

11. 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.

12. Security for Loans and Advances Granted

According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. Special Statute

The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. Dealings / Trading in Shares, Securities, Debentures and other Investments

According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.

15. Guarantees given

According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

16. Term Loans

Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.

17. Utilisation of Funds

Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. Preferential Allotment of Shares

Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

19. Security for Debentures Issued

The Company has no outstanding debentures during the period under audit.

20. Public Issue of Equity Shares

The Company has not raised any money by public issue during the year.

21. 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.

For **Bhupendra Shroff & Co.**

Chartered Accountants

FRN: 101478W

B.N.Shroff

(Partner)

Membership No. : 5039

Place: Mumbai

Date: 29.06.2013

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

To
The Members of
SUNRAJ DIAMOND EXPORTS LIMITED

We have examined the conditions of Corporate Governance by Sunraj Diamond Exports Limited for the year ended 31st March, 2013 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, but which has since then been complied with, 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,

B.N. Shroff
Partner

Place :Mumbai
Date: 29th June, 2013

Balance Sheet As On March 31, 2013

EQUITY AND LIABILITIES	NOTE	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
(1) Shareholders' Funds	13		
(a) Share Capital	13a	53,304,000	53,304,000
(b) Reserves & Surplus	13b	25,745,729	26,354,613
(2) Non - current Liabilities	14		
(a) Long Term borrowing	14a	21,726,226	26,159,957
(b) Deferred tax liabilities (Net)	14b	2,428,228	2,278,718
(d) Long Term provisions	14c	8,137,500	8,729,641
(3) Current Liabilities	15		
(a) Short Term borrowing	15a	121,665,932	113,999,687
(b) Trade payables	15b	91,012,139	43,737,821
(c) Other Current Liabilities	15c	7,313,071	17,201,951
(d) Short Term provisions	15d	3,848,725	864,725
Total		335,181,550	292,631,113
ASSETS			
(4) Non Current Assets	16		
(a) Fixed Assets			
(i) Tangible Assets	16a	20,560,665	19,459,442
(b) Non Current Investments	16b	5,967,100	15,000
(c) Long Term Loans and Advances	16c	11,802,631	8,591,487
(5) Current Assets	17		
(a) Inventories	17a	22,492,562	40,286,547
(b) Trade Receivables	17b	260,686,124	199,440,419
(c) Cash and Cash Equivalents	17c	13,461,387	13,488,115
(d) Short term Loans and Advances	17d	211,082	11,350,102
Total		335,181,550	292,631,113

Notes on Accounts

1 to 12

As per our report attached
For **Bhupendra Shroff & Co.**
Chartered Accountants
Firm No. : 101458W

For and behalf of the Board of Directors
For **SUNRAJ DIAMOND EXPORTS LTD.**

B.N.Shroff
Partner
Membership No: 5039
Mumbai, 29th June, 2013

Sunil Gandhi Sunny Gandhi
Director Director

Mumbai, 29th June, 2013

Statement Of Profit And Loss For The Year Ended March 31, 2013

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
Revenue			
I Revenue from operations	18	507,337,338	533,599,370
II Other Income	19	7,677,982	19,563,605
III Total Revenue (I+II)		515,015,320	553,162,975
Expenses:			
Cost of material consumed	20	56,544,980	15,137,747
Purchase of Finished Goods	21	421,547,938	500,063,729
Changes in inventories of finished goods, work in progress and stock in trade	22	981,511	-952,041
Employee benefit expenses	23	3,700,013	3,050,606
Finance cost	24	8,548,817	7,717,030
Depreciation and ammortisation expenses	25	1,181,120	1,049,836
Other Expenses	26	13,598,619	13,830,945
IV Total Expenses		506,102,998	539,897,852
V Profit before exception and extraordinary items and tax (III-IV)		8,912,322	13,265,124
VI Exceptional items	27	117,966	-
VII Profit before extraordinary items and tax (V-VI)		8,794,356	13,265,124
VIII Extraordinary Items		-	-
X Profit before tax (VII - VIII)		8,794,356	13,265,124
Tax Expenses:	28		
(1) Current Tax		3,058,604	4,366,925
(2) Deferred Tax		149,510	163,532
XI Profit / (loss) for the period from continuing operations (IX-X)		5,586,241	8,734,667
XIII Profit / (loss) from discontinued operations		-	-
XIV Tax expenses of discontinued operations		-	-
XV Profit / (loss) from discontinuing operations after tax (XII-XIII)		-	-
XVI Profit / (loss) for the period (XI - XIV)		5,586,241	8,734,667
Earnings per equity share			
(1) Basic		1.05	1.64
(2) Diluted		1.05	1.64

Notes on Accounts

1 to 12

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

For and on behalf of the Board of Directors
For **SUNRAJ DIAMOND EXPORTS LTD.**

B.N.Shroff
Partner
Membership No: 5039
Mumbai, 29th June, 2013

Sunil Gandhi Sunny Gandhi
Director Director

Mumbai, 29th June, 2013

Cash Flow Statement For The Year Ended March 31, 2013

PARTICULARS	31.3.2013		31.3.2012	
I Cash from Operating Activities				
Net Profit before tax from Profit and Loss A/c		8,794,356		13,265,124
Add: Loss on sale of Assets	117,966		-	
Interest on Loans Paid	8,548,817		7,717,030	
Unrealized Foreign Exchange	1,119,318		(3,825,706)	
Interest income	(925,488)		(831,492)	
Bad Debts	5,762		-	
Depreciation	1,181,120	10,047,496	1,049,836	4,109,668
Operating Profit before working capital changes		18,841,852		17,374,792
Add Adjustments for -				
Trade & other Receivables	(62,355,224)		(68,372,487)	
Loans and Advances	11,137,020		(11,127,699)	
Inventories	17,793,985		(6,003,127)	
Trade & Other Payables	36,703,133	3,278,915	4,971,566	(80,531,748)
Cash generated from Operations		22,120,767		(63,156,956)
Less: Direct Taxes Paid (Net of refund of Taxes)	3,209,145	3,209,145		(3,997,252)
NET CASH FLOW FROM OPERATING ACTIVITIES		18,911,623		(67,154,208)
II Cash from Investment Activities				
Purchase of Fixed Assets	(2,456,440)			(53,309)
Investment in Subsidiary	(5,952,100)			-
Proceeds from sale of Assets	56,130			-
Interest Received	925,488			831,492
NET CASH USED IN INVESTING ACTIVITIES		(7,426,922)		778,183
III Cash from Financial Activities				
Loans Received	303,636,495			255,377,848
Loans Repaid	(300,403,981)			(176,775,198)
Dividend & Dividend Distribution	(6,195,125)			(6,236,301)
Tax Paid				
Interest on Loans Paid	(8,548,817)			(7,386,644)

NET CASH USED IN INVESTING ACTIVITIES	(11,511,428)	64,979,705
Net increase/(decrease) in cash and cash equivalents	(26,728)	(1,396,320)
Cash and Cash Equivalents - Opening Balance	13,488,115	14,884,438
Cash and Cash Equivalents - Closing Balance	13,461,387	13,488,115

AUDITOR'S CERTIFICATE

We have checked the attached Cash flow Statement of **SUNRAJ DIAMOND EXPORTS LIMITED**, for the year ended 31st March, 2013 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

For and on behalf of the Board of Directors
For **SUNRAJ DIAMOND EXPORTS LTD.**

B.N.Shroff
Partner
Membership No: 5039
Mumbai, 29th June, 2013

Sunil Gandhi Sunny Gandhi
Director Director

Mumbai, 29th June, 2013

Significant Accounting Policies For The Year Ended March 31, 2013.

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, 1956.

(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.

(c) RELATED PARTY DISCLOSURES

Companies in which Directors are interested

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

Management / Directors

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

Name of Party	Relationship	Transaction	Amount (Rs.)
Sunny Gandhi	Director	Remuneration	600,000/-
Nirav Shah	Director	Remuneration	825,000/-
Sunil Gandhi	Director	Remuneration	2,500/-

(d) EARNING PER SHARE	2012-2013 ₹	2011-2012 ₹
(b) Profit after Tax	56,60,845	87,14,092
(b) Add: Short Provision for Tax Of earlier years	(74,604)	20,575
	<u>55,86,241</u> Nos.	<u>87,34,667</u> Nos.
(ii) Weighted average number of Ordinary Shares for Basic EPS Less: Calls in Arrears (Proportionate)	53,30,400 -	53,30,400 -
(iii) Nominal Value of Ordinary Shares	₹ 10/-	₹ 10/-
(iv) Basic / Diluted Earnings per Share	Re. 1.05	Re.1.64

(e) DEFERRED TAXATION

Deferred Tax Liability for the year is ₹ 1,49,510/-

(f) PROPOSED DIVIDEND

The Company at its Board Meeting held on 29th June, 2013 has proposed to declare dividend @ 10% on its paid up capital. The effect for the same has been provided in the accounts for the relevant year. As per Companies (Transfer of profits to Reserves) Rules, 1975, 2.5% of the current years profit after tax have been transferred to General Reserve Account.

(g) CONTINGENT LIABILITIES:

The company has a contingent liability of income tax of ₹ 8,86,480 in respect for A.Y. 2002-2003.

(h) MANAGERIAL REMUNERATION:

Managerial Remuneration U/s 198 of the Companies Act, 1956, to the Managing Director.

	2012-13 ₹	2011-12 ₹
Salaries & Bonus	14,27,500	12,50,000
Perquisites	Nil	NIL

2. Inventories are valued at cost as certified by the management.
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

Items	Quantity In carats	Value ₹
Rough Diamonds (Previous Year)	7720.98 (2,490.31)	5,38,16,058 (1,51,37,747)
Synthatic Diamonds (Previous Year)	116.31 (NIL)	27,28,921 (NIL)
		5,65,44,980 (1,51,37,747)

7. C.I.F. VALUE OF IMPORTS

	Current Year	Previous Year
Raw Material	2,33,28,377	2,01,88,833

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

Items	Current Year		Previous Year	
	₹	%	₹	%
Imported	5,38,16,058	95.00	1,53,64,760	100
Indigenous	27,28,922	05.00	NIL	NIL
	5,65,44,980	100	1,53,64,760	100.00

9. EXPENDITURE IN FOREIGN EXCHANGE

Foreign Travelling Expenditure ₹ 12,89,535/- (Previous year ₹ 31,83,023/-)

10. EARNING IN FOREIGN EXCHANGE

F.O.B. Value of Exports and Exchange Difference – ₹ 32,24,51,240 /-
(Previous year ₹ 40,73,53,685/-)

Items	Units	Opening Stock		Closing Stock		Turnover / Consumption	
		Quantity	Value	Quantity	Value	Quantity	Value
Finished Goods Cut & Polished Diamonds	Cts	573.20 (491.85)	10,809,403 (11,113,114)	232.62 (573.20)	9,889,955 (10,809,403)	29,038.99 (21,457.39)	565,365,666 (548,519,880)
Jewellery	Gms	1,779.93 (1,480.73)	5,001,133 (4,160,381)	1,757.45 (1,779.93)	4,989,003 (5,001,133)	322.98 Nil	4,322,698 Nil
Jewellery	Nos	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil (12.00)	Nil (1,696,530)
Emerald cut & polished Stones	Cts	116.88 Nil	415,000 Nil	103.34 (116.88)	365,066 (415,000)	13.54 Nil	49,934 Nil
Synthetics Crystals	Cts	200.18 (200.18)	6,879,337 (6,879,337)	200.18 (200.18)	6,879,337 (6,879,337)	Nil (Nil)	Nil (Nil)
Raw Materials							
Rough Diamonds	Cts	653.54 (1,497.76)	14,083,552 (9,032,466)	NIL (653.54)	NIL (14,083,552)	7,720.98 (2,490.31)	53,816,058 (15,137,747)
Synthetic Rough Diamonds	Cts	28,046.31 (28,046.31)	3,098,122 (3,098,122)	27,930.00 (28,046.31)	369,200 (3,098,122)	116.31 Nil	2,728,922 Nil

12. The previous year's figures are regrouped wherever necessary.

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

For and on behalf of the Board of Directors
For **SUNRAJ DIAMOND EXPORTS LTD.**

B.N.Shroff
Partner
Membership No: 5039
Mumbai, 29th June, 2013

Sunil Gandhi Sunny Gandhi
Director Director

Mumbai, 29th June, 2013

Notes On Financial Statements For The Year Ended March 31, 2013

Particulars	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES		
13 Shareholders' Fund		
13a Share Capital		
The details of Authorised, Issued, Subscribed and paid up, capital as under		
Authorised		
8,000,000 Equity shares of ₹ 10/- each	80,000,000	80,000,000
Issued, Subscribed & paid up		
Opening Balance		
(5,330,400 Equity shares of ₹ 10/- each)	53,304,000	53,304,000
Add: Issued during the year	-	-
Less: Shares Forfeited	-	-
Closing Balance	53,304,000	53,304,000

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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	6,81,700 Sh - 12.79%	6,81,700 Sh - 12.79%
Gunvanti Chandrakant Gandhi	3,75,000 Sh - 7.03%	3,75,000 Sh - 7.03%
Gunial Investment and Finance Private Limited	6,39,100 Sh - 12.00%	6,39,100 Sh - 12.00%
13b Reserves and Surplus		
<i>Capital Reserves:</i>		
Capital Reserve	598,000	598,000
Add: Addition during the year	-	-
Closing Balance	A 598,000	598,000
<i>Revenue Reserve:</i>		
General Reserve	430,062	211,695
Add: Transfer from Profit & Loss Account	139,656	218,367
Closing Balance	B 569,718	430,062

Surplus in Profit & Loss Account		
Opening Balance	25,326,551	23,005,377
Add: Surplus / (Deficit) in Profit and loss for the year	5,586,241	8,734,667
Less: Appropriations during the year		
Dividends	5,330,400	5,330,400
Dividend Distribution Tax	864,725	864,725
Transfer to General Reserve	139,656	218,367
Closing Balance	24,578,011	25,326,551
Total (B + C)	25,147,729	25,756,613
Grand Total (A+B+C)	25,745,729	26,354,613

PROPOSED DIVIDEND

The Company at its Board Meeting held on 29th June, 2013 has proposed to declare dividend @ 10% on its paid up capital. The effect for the same has been provided in the accounts for the relevant year. As per Companies (Transfer of profits to Reserves) Rules, 1975, 2.5% of the current years profit after tax have been transferred to General Reserve Account.

14 Non Current Liabilities		
14a Long Term Borrowings		
Secured Borrowings		
HDFC Bank Ltd.	-	86,113
Axis Bank Ltd.	373,812	549,833
Kotak Mahindra Prime Ltd.	1,098,092	-
	1,471,904	635,946
Nature of Security :-		
Secured against hypothecation of Car		
Unsecured Borrowings		
Loans From Directors	20,254,322	25,524,011
	20,254,322	25,524,011
Total	21,726,226	26,159,957
14b Deferred Tax Liabilities (Net)	2,428,228	2,278,718
	2,428,228	2,278,718
14c Long Term Provisions		
Provision for Tax	8,137,500	8,729,641
	8,137,500	8,729,641
15 Current Liabilities		
15a Short Term Borrowings		
Secured Borrowings		
Loans payable on demand - Postshipment Finance from The Royal Bank of Scotland N.V.	100,453,769	86,144,198
HDFC Bank Ltd.	172,226	1,119,358
Axis Bank Ltd.	176,021	176,021
Kotak Mahindra Prime Ltd.	609,594	-
	101,411,610	87,439,577

Nature of Security :-

- Working Capital facility (Postshipment Finance) Secured against
- Guarantee :- Personal Guarantee of the Directors.
 - Collateral:
 - Hypothecation of stocks and receivables
 - Bank Fixed Deposit of Rs. 1,20,00,000 kept with The Royal Bank of Scotland N.V.
 - Equitable Mortgage of the Registered Office for the Company Other Loan facility Secured against hypothecation of Car

Unsecured Borrowings			
Loans and advances from related parties	-		1,036,099
Loans From Directors	20,254,322		25,524,011
	20,254,322		26,560,110
15b Trade Payable	121,665,932		113,999,687
	91,012,139		43,737,821
	91,012,139		43,737,821
15c Other Current Liabilities			
Other payables			
TDS Payable	80,571		68,023
Dividend Payable	5,330,400		-
Unclaimed Dividend Payable *	1,151,158		5,849,952
Forward Contract Payable	-		10,774,347
Deferred Premium Account	-		76,459
Sundry Creditors for Expenses	698,828		456,066
Other Payables	52,113		-22,896
	7,313,071		17,201,95
* Investor Education and Protection Fund to be credited by the amount as and when required.			
15d Short Term provisions			
Provision for Tax	3,848,725		864,725
	3,848,725		864,725

16 Non Current Assets**Fixed Assets****16a Tangible Assets**

Particulars of Asset	Rate of Dep	Gross Block				Depreciation			Net Block	
		Opening	Addition	Deduction	Closing	Opening	For the year	Closing	Opening	Closing
OFFICE PREMISES	1.63	15,134,916	-	-	15,134,916	2,307,305	246,699	2,554,004	12,827,611	12,580,912
VEHICLES	9.50	7,478,861	2,437,940	-	9,916,801	1,610,597	806,994	2,417,591	5,868,264	7,499,210
FURNITURE & FIXTURE	6.33	886,016	-	-	886,016	573,414	44,196	617,610	312,602	268,406
OFFICE EQUIPMENTS	6.33	1,653,188	18,500	895,716	775,972	1,202,223	-638,387	563,836	450,965	212,136
TOTAL		25,152,981	2,456,440	895,716	26,713,705	5,693,538	459,502	6,153,040	19,459,442	20,560,665

ACCOUNTING OF DEPRECIATION

Depreciation is provided on Fixed Assets on Straight Line Basis in accordance with Schedule XIV of the Companies Act, 1956.

ACCOUNTING FOR FIXED ASSETS

All Fixed Assets are valued at cost less Depreciation

16b Non Current Investments		
a Investments in Equity Instruments	15,000	15,000
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	5,952,100	-
	5,967,100	15,000
Further Details		
Aggregate value of quoted investments and market value	-	-
Aggregate amount of unquoted investments	5,967,100	15,000
Aggregate provision for diminution in value of investments	-	-
	5,967,100	15,000
ACCOUNTING FOR INVESTMENTS		
Investments are stated at cost of acquisition.		
16c Long Term Loans and Advances		
(a) Capital Advances;	2,708,430	2,708,430
(b) Security Deposits;	87,408	85,408
(c) Loans and advances to related parties (giving details thereof);	-	-
(d) Other loans and advances (Income Taxes).	9,006,793	5,797,649
	11,802,631	8,591,487
(ii) The above shall also be separately sub-classified as:		
(b) Unsecured, considered good;	11,802,631	8,591,487
	11,802,631	8,591,487
17 Current Assets		
17a Inventories		
(a) Inventories		
Raw Materials	369,200	17,181,674
(At cost including incidental expenses incurred for its acquisition)		
Finished Goods	22,123,362	23,104,874
(At cost or market value whichever is lower)		
	22,492,562	40,286,547

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.

17b Trade Receivables		
Outstanding For More than six months	12,193,047	40,875,577
Less than six months	248,493,077	158,564,842
	260,686,124	199,440,419
Sub-classified		
Unsecured, considered good	260,686,124	199,440,419
	260,686,124	199,440,419
17c Cash and cash equivalent		
(a) Cash and cash equivalent		
Balances with banks	1,110,210	929,707
Cash on hand	30,148	110,491
Bank Fixed Deposits	12,321,029	12,447,917
	13,461,387	13,488,115
Fixed Deposit held as pledged against secured loan taken from		
The Royal Bank of Scotland N.V.	12,321,029	12,447,917
17d Short Term Loans and advances		
(a) Other loans and advances (specify nature).		
TDS Receivable from Four Season's Hotel	23,334	-
Forward Contract Receivable	-	11,260,253
TDS Receivable for F.Y. 2012-2013	95,804	-
Auto Hanger (India) pvt. Ltd. - Honda Accord	8,845	
Prepaid Insurance	83,099	83,849
Loan to Staff	-	6,000
	211,082	11,350,102
Sub-classified		
Secured, considered good	-	322,878
Unsecured, considered good	178,903	83,849

Notes On Financial Statements For The Year Ended March 31, 2013

Note No.	Particulars	March 31, 2013	March 31, 2012
18 Revenue from Operations			
(a) Sale of products		507,337,338	533,599,370
		507,337,338	533,599,370
19 Other Income			
(a) Interest Income		925,488	831,492
(b) Other non-operating income		633,042	2,260,630
(c) Exchange Difference		6,119,452	16,471,484
		7,677,982	19,563,605
20 Cost of Materials Consumed			
Opening Stock of Rough Diamonds		17,181,674	12,130,588
Add: Purchases during the year		39,732,506	20,188,833
Less: Closing Stock of Rough Diamonds		369,200	17,181,674
		56,544,980	15,137,747
21 Purchase of Finished Goods		421,547,938	500,063,729
(Cut and Polished Diamonds & Gold Jewellery)			
22 Changes in inventories of Finished Goods, Work in Progress and Stock in Trade			
Finished Goods (Cut & Polished Diamonds)			
Closing Stocks		22,123,362	23,104,874
Less: Opening Stocks		23,104,874	22,152,832
		981,511	(952,041)
23 Employee Benefit Expenses			
(1) Salaries and wages		2,238,676	1,754,071
(2) Directors Remuneration		1,427,500	1,250,000
(3) Staff Welfare Expenses		33,837	46,535
		3,700,013	3,050,606
24 Finance Cost			
(1) Interest Expenses		6,620,289	3,400,448
(2) Other borrowing cost		1,928,528	4,316,582
		8,548,817	7,717,030
25 Depreciation and amortisation Cost			
Deprecation on Fixed Assets		1,181,120	1,049,836
26 Other Expenses			
Advertisement and Sales Promotion		86,950	139,313
Agency Commission on Import /Export		28,500	26,350
Assortment charges		1,433,710	1,486,425
Auditors' Remuneration: -			
Audit Fees		112,360	112,360
Other Services		28,090	28,090
Office Expense		19,137	24,270
Insurance		191,137	167,903
Bad Debts		5,762	-
Brokerage & Commission		1,591,188	1,994,408
Business Promotion		1,380,241	3,098,162

Clearing chg. (Import & Export)	37,751	34,142
Conveyance & Travailing		
Expenses-Local	83,489	270,520
Donation	11,000	21,000
Exhibition Fees	233,335	118,256
Insurance	191,137	167,903
Labour Charges	4,578,499	1,321,896
Legal & Professional Fees	767,380	432,390
Listing Fees	28,090	27,575
Membership & Subscription	109,059	94,079
Miscellaneous Expenses	17,608	47,852
Postage, Telephone & Telex	633,228	504,870
Printing & Stationery	80,583	148,075
Registration & Trf Agent Fees	33,708	70,870
Rent & Maintenance Charges	94,393	85,671
Expenditure for formation of Subsidiary Company	159,600	-
Travelling Expenses-Foreign	1,289,535	3,183,023
Vehicle Expenses	564,285	393,445
	13,598,619	13,830,945
27 Exceptional Items		
(1) Disposals of items of Fixed Assets	117,966	-
	117,966	-
28 Tax Expenses		
Current Tax	2,984,000	4,387,500
Add: Excess / Short provisions of taxes	74,604	-20,575
	3,058,604	4,366,925
Deferred Tax	149,510	163,532
	3,208,114	4,530,457

Statement Pursuant To Section 212 Of The Companies Act, 1956, Relating To Subsidiary Companies

1. Name of the Subsidiary	Sunraj Diamond DMCC
2. Financial year of the subsidiary ended on	31st March, 2013
3. Shares of the subsidiary held by the Company on the above date : a) Number and Face Value	400 Equity share of AED 1000 each fully paid
b) Extent of holding	100%
4. Net aggregate amount of profits/ (losses) of the subsidiary for the above financial year of the subsidiary, so far as they concern members of the Company :	
a) dealt with in the accounts of the Company for the year ended 31st March, 2013	USD 1,93,625 (₹ 1,05,17,525)
b) not dealt with in the accounts of the Company for the year ended 31st March, 2013	NIL
5. Net aggregate amount of profits/ (losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company :	
a) dealt with in the accounts of the Company for the year ended 31st March, 2013	USD 1,93,625 (₹ 1,05,17,525)
b) not dealt with in the accounts of the Company for the year ended 31st March, 2013	NIL

Note: Converted at the rate of Exchange USD 1 = ₹ 54.335 prevailing on 31.03.2013
For and on behalf of Board

Mumbai, 29th June, 2013

Independent Auditor's Report

Report on the Financial Statements

1. We have audited the accompanying consolidated financial statements of Sunraj Diamond Exports Limited and Sunraj Diamond DMCC ("the Company"), which comprise the Balance Sheet as at March 31, 2013, 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 Financial Statements.

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those 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 from material misstatement.
4. 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 and fair presentation of the financial statements 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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, 2013;
 - b) in the case of the Profit and Loss Account, of the profit/ loss 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Bhupendra Shroff & Co.**
Chartered Accountants
FRN: 101478W

B.N.Shroff
(Partner)
Membership No. : 5039
Place: Mumbai
Date: 29.06.2013

Consolidated Balance Sheet As On March 31, 2013

EQUITY AND LIABILITIES	Note	March 31, 2013
(1) Shareholders' Funds	3	
(a) Share Capital	3a	53,304,000
(b) Reserves & Surplus	3b	36,253,776
		89,557,776
(2) Non - current Liabilities	4	
(a) Long Term borrowings	4a	21,726,226
(b) Deferred tax liabilities (Net)	4b	2,428,228
(d) Long Term provisions	4c	8,137,500
		32,291,953
(3) Current Liabilities	5	
(a) Short Term borrowings	5a	121,722,349
(b) Trade payables	5b	99,245,745
(c) Other Current Liabilities	5c	8,073,719
(d) Short Term provisions	5d	3,848,725
		232,890,538
Total		354,740,268
ASSETS		
(4) Non Current Assets	6	
(a) Fixed Assets		
(i) Tangible Assets	6a	20,560,665
(ii) Intangible Assets	6a	38,841
(b) Non Current Investments	6b	15,000
(c) Long Term Loans and Advances	6c	11,817,414
		32,431,919
(5) Current Assets	7	
(a) Inventories	7a	25,086,451
(b) Trade Receivables	7b	277,223,838
(c) Cash and Cash Equivalents	7c	19,428,250
(d) Short term Loans and Advances	7d	569,810
		322,308,349
Total		354,740,268

Notes on Accounts 1 to 2

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

For and on behalf of the Board of Directors
For **SUNRAJ DIAMOND EXPORTS LTD.**

B.N.Shroff
Partner
Membership No: 5039
Mumbai, 29th June, 2013

Sunil Gandhi Sunny Gandhi
Director Director

Mumbai, 29th June, 2013

Consolidated Statement Of Profit And Loss For The Year Ended March 31, 2013

EQUITY AND LIABILITIES	Note	March 31, 2013
Revenue		
I Revenue from operations	8	658,159,999
II Other Income	9	7,677,982
III Total Revenue (I+II)		665,837,981
Expenses:		
Cost of material consumed	10	56,544,980
Purchase of Finished Goods	11	564,056,545
Changes in inventories of finished goods, work in progress and stock in trade	12	(1,612,378)
Employee benefit expenses	13	3,700,013
Finance cost	14	8,548,817
Depreciation and ammortisation expenses	15	1,181,120
Other Expenses	16	13,989,036
IV Total Expenses		646,408,133
V Profit before exception and extraordinary items and tax (III-IV)		19,429,848
VI Exceptional items	17	117,966
VII Profit before extraordinary items and tax (V-VI)		19,311,882
VIII Extraordinary Items		-
IX Profit before tax (VII - VIII)		19,311,882
X Tax Expenses:	18	
(1) Current Tax		3,058,604
(2) Deferred Tax		149,510
XI Profit / (loss) for the period from continuing operations (IX-X)		16,103,767
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)		16,103,767
XVI Earnings per equity share		
(1) Basic		3.02
(2) Diluted		3.02

Notes on Accounts 1 to 2

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

For and on behalf of the Board of Directors
For **SUNRAJ DIAMOND EXPORTS LTD.**

B.N.Shroff
Partner
Membership No: 5039
Mumbai, 29th June, 2013

Sunil Gandhi Sunny Gandhi
Director Director

Mumbai, 29th June, 2013

Consolidated Cash Flow Statement For The Year Ended March 31, 2013

PARTICULARS	31.3.2013	
I Cash from Operating Activities		
Net Profit before tax from Profit and Loss A/c		19,311,881
Add: Loss on sale of Assets	117,966	
Interest on Loans Paid	8,548,817	
Unrealised Foreign Exchange	1,127,415	
Interest income	(925,488)	
Bad Debts	5,762	
Depreciation	1,181,120	10,055,593
Operating Profit before working capital changes		29,367,474
Add: Adjustments for -		
Trade & other Receivables	(79,266,448)	
Loans and Advances	11,137,020	
Inventories	15,200,096	
Trade & Other Payables	45,697,387	(7,231,944)
Cash generated from Operations		22,135,530
Less: Direct Taxes Paid (Net of refund of Taxes)	3,209,145	3,209,145
NET CASH FLOW FROM OPERATING ACTIVITIES		18,926,386
II Cash from Investment Activities		
Purchase of Fixed Assets	(2,456,440)	
Proceeds from sale of Assets	56,130	
Interest Received	925,488	
NET CASH USED IN INVESTING ACTIVITIES		(1,474,822)
III Cash from Financial Activities		
Loans Received	303,636,495	
Loans Repaid	(300,403,981)	
Dividend & Dividend Distribution Tax Paid	(6,195,125)	
Interest on Loans Paid	(8,548,817)	
NET CASH USED IN INVESTING ACTIVITIES		(11,511,428)
Net increase/(decrease) in cash and cash equivalents		5,940,135
Cash and Cash Equivalents - Opening Balance		13,488,115
Cash and Cash Equivalents - Closing Balance		19,428,250

AUDITOR'S CERTIFICATE

We have checked the attached Cash flow Statement of SUNRAJ DIAMOND EXPORTS LIMITED, for the year ended 31st March, 2013 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

For and on behalf of the Board of Directors
For **SUNRAJ DIAMOND EXPORTS LTD.**

B.N.Shroff
Partner
Membership No: 5039
Mumbai, 29th June, 2013

Sunil Gandhi Sunny Gandhi
Director Director

Mumbai, 29th June, 2013

Significant Accounting Policies For The Year Ended On March 31, 2013

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, 1956.

(b) The consolidated financial statement has been prepared under historical cost convention on an accrual basis.

2 Principle of Consolidation

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

Name of Subsidiary	Country of Incorporation	Ownership Interest / Financial Period	Voting Power
Sunraj Diamonds DMCC	Dubai	100%	April 12 to March 13

(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 un-realized 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 financial statements of Sunraj Diamonds DMCC for the period April 2012 to March 2013 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.

(ix) Other significant accounting policies are as set out in standalone financial statement of Sunraj Diamond Exports Ltd, to the extent applicable.

(x) Previous year's figures are not provided as during this year, a 100% subsidiary - Sunraj Diamond DMCC is formed in dubai. Hence, this is the first year of consolidation between Sunraj Diamond Exports Limited and Sunraj Diamond DMCC.

CONSOLIDATED STOCK STATEMENT AS ON 31-03-2013

Items	Unit	Opening Stock		Closing Stock		Turnover / Consumption	
		Quantity	Value	Quantity	Value	Quantity	Value
Finished Goods							
Cut & Polished Diamonds	Cfs	573.20	10,809,403	232.62	9,889,955	30,231.99	566,096,279
		-491.85	(11,113,114)	-573.20	(10,809,403)	-21,457.39	(548,519,880)
Jewellery	Gms	1,779.93	5,001,133	1,757.45	4,989,003	322.98	4,322,698
		-1,480.73	(4,160,381)	-1,779.93	(5,001,133)	Nil	Nil
Jewellery	Nos.	Nil	Nil	77.00	2,593,889	3,028.00	2,045,179
		Nil	Nil	Nil	Nil	-12.00	(1,696,530)
Emerald cut & polished Stones	Cfs	116.88	415,000	103.34	365,066	13.54	49,934
		Nil	Nil	-116.88	(415,000)	Nil	Nil
Synthetics Crystals	Cfs	200.18	6,879,337	200.18	6,879,337	NIL	NIL
		-200.18	(6,879,337)	-200.18	(6,879,337)	(Nil)	(Nil)
Raw Materials							
Rough Diamonds	Cfs	653.54	14,083,552	NIL	NIL	7,720.98	53,816,058
		-1,497.76	(9,032,466)	-653.54	(14,083,552)	-2,490.31	(15,137,747)
Synthetic Rough Diamonds		28,046.31	3,098,122	27,930.00	369,200	116.31	2,728,922
		-28,046.31	(3,098,122)	-28,046.31	(3,098,122)	Nil	Nil

Notes on Accounts 1 to 2

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

For and on behalf of the Board of Directors
For **SUNRAJ DIAMOND EXPORTS LTD.**

B.N.Shroff
Partner
Membership No: 5039
Mumbai, 29th June, 2013

Sunil Gandhi Sunny Gandhi
Director Director

Mumbai, 29th June, 2013

Consolidated Notes On Financial Statements For The Year Ended March 31, 2013

EQUITY AND LIABILITIES	March 31, 2013
EQUITY AND LIABILITIES	
3 Shareholders' Fund	
3a Share Capital	
The details of Authorised, Issued, Subscribed and paid up, capital as under :-	
Authorised	
8,000,000 Equity shares of ₹ 10/- each	80,000,000
Issued, Subscribed & paid up	
Opening Balance (5,330,400 Equity shares of ₹ 10/- each)	53,304,000
Add: Issued during the year	-
Less: Shares Forfeited	-
Closing Balance	53,304,000

The company has one class of equity shares having a par value of ₹. 10 per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim divide of liquidation , the equity shareholders are eligible to receive the remain assets of the Com after distribution of all preferential amounts, in proportion to their shareholding.

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
Sunny Sunil Gandhi	6,81,700 Sh - 12.79%
Gunvanti Chandrakant Gandhi	3,75,000 Sh - 7.03%
Gunial Investment and Finance Private Limited	6,39,100 Sh - 12.00%
3b Reserves and Surplus	
Capital Reserves:	
Capital Reserve	598,000
Add: Addition during the year	-
Closing Balance	A 598,000
Revenue Reserve:	
General Reserve	430,062
Add: Transfer from Profit & Loss Account	139,656
Closing Balance	B 569,718

Surplus in Profit & Loss Account	
Opening Balance	25,326,551
Add: Surplus /(Defecit) in Profit and Loss for the year	16,103,767
Less: Appropriations during the year	
Dividends	5,330,400
Dividend Distribution Tax	864,725
Transfer to General Reserve	139,656
Closing Balance	C 35,095,537
Foreign Currency Translation Reserves	
As per last Balance Sheet	-
Add: Currency Translation Gain/(Loss) During the year	-9,479
Closing Balance	D -9,479
	(B+C+D) 35,655,776
	(A+B+C+D) 36,253,776

Consolidated Notes On Financial Statements For The Year Ended March 31, 2013

PROPOSED DIVIDEND

The Company at its Board Meeting held on 29th June, 2013 has proposed to declare dividend @ 10% on its paid up capital. The effect for the same has been provided in the accounts for the relevant year. As per Companies (Transfer of profits to Reserves) Rules, 1975, 2.5% of the current years profit after tax have been transferred to General Reserve Account.

EQUITY AND LIABILITIES	March 31, 2013
4 Non Current Liabilities	
4a Long Term Borrowings	
Secured Borrowings	
Axis Bank Ltd.	373,812
Kotak Mahindra Prime Ltd.	1,098,092
	1,471,904
Nature of Security :-	
Secured against hypothecation of Car	
Unsecured Borrowings	
Loans From Directors	20,254,322
	20,254,322
Total	21,726,226
4b Deferred Tax Liabilities (Net)	2,428,228
	2,428,228
4c Long Term Provisions	
Provision for Tax	8,137,500
	8,137,500
5 Current Liabilities	
5a Short Term Borrowings	
Secured Borrowings	
Loans payable on demand - Postshipment Finance from The Royal Bank of Scotland N.V.	100,453,769
HDFC Bank Ltd.	172,226
Axis Bank Ltd.	176,021
Kotak Mahindra Prime Ltd.	609,594
	101,411,610
Nature of Security :-	
Working Capital facility (Postshipment Finance) Secured against	
- Guarantee :- Personal Guarantee of the Directors.	
- Collateral:	
- Hypothecation of stocks and receivables	
- Bank Fixed Deposit of ₹ 1,20,00,000 kept with The Royal Bank of Scotland N.V.	
- Equitable Mortgage of the Registered Office fo the Company	
Other Loan facility Secured against hypothecation of Car	

Unsecured Borrowings

Loans From Directors

20,310,739

20,310,739**121,722,349****5b Trade Payable**

99,245,745

99,245,745**5c Other Current Liabilities**

Other payables

80,571

TDS Payable

5,330,400

Dividend Payable

1,151,158

Unclaimed Dividend Payable *

1,459,477

Sundry Creditors for Expenses

52,113

Other Payables

8,073,719

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

5d Short Term provisions

Provision for Tax

3,848,725

3,848,725**6 Non Current Assets****Fixed Assets****6a Tangible Assets**

Particulars of Asset	Rate of Dep.	Gross Block				Depreciation			Net Block	
		Opening	Addition	Deduction	Closing	Opening	For the Year	Closing	Opening	Closing
Tangible Assets										
OFFICE PREMISES	1.63	15,134,916	-	-	15,134,916	2,307,305	246,699	2,554,004	2,827,611	12,580,912
VEHICLES	9.50	7,478,861	2,437,940	-	9,916,801	1,610,597	806,994	2,417,591	5,868,264	7,499,210
FURNITURE & FIXTURE	6.33	886,016	-	-	886,016	573,414	44,196	617,610	312,602	268,406
OFFICE EQUIPMENTS	6.33	1,653,188	18,500	895,716	775,972	1,202,223	-638,387	563,836	450,965	212,136
TOTAL		25,152,981	2,456,440	895,716	26,713,705	5,693,538	459,502	6,153,040	19,459,442	20,560,665
Intangible Assets										
Goodwill on Consolidation		-	38,841	-	38,841	-	-	-	-	38,841
			38,841	-	38,841	-	-	-	-	38,841

ACCOUNTING OF DEPRECIATION

Depreciation is provided on Fixed Assets on Straight Line Basis in accordance with Schedule XIV of the Companies Act, 1956.

ACCOUNTING FOR FIXED ASSETS

All Fixed Assets are valued at cost less Depreciation

6b Non Current Investments	
Investments in Equity Instruments	15,000
a Rander Peoples' Co-op.Bank Limited 150 (Previous Year 150) Equity Shares of ₹ 100/- each fully paid up	15,000
Further Details	
Aggregate value of quoted investments and market value	-
Aggregate amount of unquoted investments	15,000
Aggregate provision for diminution in value of investments	-
	15,000
ACCOUNTING FOR INVESTMENTS	
Investments are stated at cost of acquisition.	
6c Long Term Loans and Advances	
(a) Capital Advances;	2,708,430
(b) Security Deposits;	102,191
(d) Other loans and advances (Income Taxes).	9,006,793
	11,817,414
(ii) The above shall also be separately sub-classified as:	
(b) Unsecured, considered good;	11,817,414
	11,817,414
7 Current Assets	
7a Inventories	
(a) Inventories	
Raw Materials (At cost including incidental expenses incurred for its acquisition)	369,200
Jewellery (At cost or market value whichever is lower)	2,593,889
Finished Goods (At cost or market value whichever is lower)	22,123,362
	25,086,451

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.

7b Trade Receivables	
Outstanding For More than six months	12,193,047
Less than six months	265,030,791
	277,223,838
Sub-classified	
Unsecured, considered good	277,223,838
	277,223,838
7c Cash and cash equivalent	
(a) Cash and cash equivalent	
Balances with banks	7,077,073
Cash on hand	30,148
Bank Fixed Deposits	12,321,029
	19,428,250
Fixed Deposit held as pledged against secured loan taken from The Royal Bank of Scotland N.V.	12,321,029
7d Short Term Loans and advances	
(a) Other loans and advances (specify nature).	
TDS Receivable from Four Season's Hotel	23,334
TDS Receivable for F.Y. 2012-2013	95,804
Auto Hanger (India) pvt. Ltd. - Honda Accord	8,845
Prepaid Payments	441,827
	569,810
Sub-classified	
Secured, considered good	-
Unsecured, considered good	178,904

Consolidated Notes On Financial Statements For The Year Ended March 31, 2013

Note No.	Particulars	March 31, 2013
8	Revenue from Operations	
	(a) Sale of products	658,159,999
		658,159,999
9	Other Income	
	(a) Interest Income	925,488
	(b) Other non-operating income	633,042
	(c) Exchange Difference	6,119,452
		7,677,982
10	Cost of Materials Consumed	
	Opening Stock of Rough Diamonds	17,181,674
	Add: Purchases during the year	39,732,506
	Less: Closing Stock of Rough Diamonds	369,200
		56,544,980
11	Purchase of Finished Goods	564,056,545
	(Cut and Polished Diamonds & Gold Jewellery)	
12	Changes in inventories of Finished Goods, Work in Progress and Stock in Trade	
	Finished Goods	
	Cut & Polished Diamonds	981,511
	Jewellery DMCC	-2,593,889
		-1,612,378
13	Employee Benefit Expenses	
	(1) Salaries and wages	2,238,676
	(2) Directors Remuneration	1,427,500
	(3) Staff Welfare Expenses	33,837
		3,700,013
14	Finance Cost	
	(1) Interest Expenses	6,620,289
	(2) Other borrowing cost	1,928,528
		8,548,817
15	Depreciation and amortisation Cost	
	Deprecation on Fixed Assets	1,181,120

16	Other Expenses	
	Advertisement and Sales Promotion	86,950
	Agency Commission on Import /Export	28,500
	Assortment charges	1,433,710
	Audit Fees	112,360
	Other Services	28,090
	Office Expense	19,137
	Bad Debts	5,762
	Brokerage & Commission	1,591,188
	Business Promotion	1,380,241
	Clearing chgs (Import & Export)	37,751
	Conveyance & Travelling Expenses-Local	83,489
	Donation	11,000
	Exhibition Fees	233,335
	Insurance	191,137
	Labour Charges	4,578,499
	Legal & Professional Fees	1,093,233
	Listing Fees	28,090
	Membership & Subscription	109,059
	Miscellaneous Expenses	22,409
	Postage,Telephone & Telex	633,228
	Printing & Stationery	80,583
	Registration & Trf Agent Fees	33,708
	Rent & Maintenance Charges	154,156
	Expenditure for formation of Subsidiary Compnay	159,600
	Travelling Expenses-Foreign	1,289,535
	Vehicle Expenses	564,285
		13,989,036
17	Exceptional Items	
	(1) Disposals of items of Fixed Assets	117,966
		117,966
18	Tax Expenses	
	Current Tax	2,984,000
	Add: Excess / Short provisions of taxes	74,604
		3,058,604
	Deferred Tax	149,510
		3,208,114

SUNRAJ DIAMOND EXPORTS LTD.

REGD. OFFICE: 1008, Panchratna Building, 10th Floor, Opera House, Mumbai - 400 004

Please remember to bring this Attendance Slip with you and hand it over at the entrance of the Meeting Hall. Please also bring copy of the enclosed Report.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Full Name of the Member attending

(in block letters)

Full Name of the first joint holder _____

(to be filled-in if first named joint-holder does not attend the meeting)

Name of the Proxy _____

(to be filled-in if the proxy form has been duly deposited with the Company)

I hereby record my presence at the Twenty Third Annual General Meeting of the Company held at Seva Sadan Society's Malabari Memorial Hall, Pandita Ramabai Road, Gamdevi, Mumbai - 400 007 on Monday, 30th September, 2013 at 11.30 a.m.

Regd. Folio No.: _____

OR

DP ID / CLIENT ID: _____

No. of Shares held _____

Member's / Proxy Signature

(to be signed at the time handing over of this slip)

SUNRAJ DIAMOND EXPORTS LTD.

REGD. OFFICE : 1008, Panchratna Building, 10th Floor, Opera House, Mumbai - 400 004

FORM OF PROXY

I/We _____

of _____ in the district of _____

being a member(s) of the above named company, hereby appoint

Mr./Ms. _____

of _____ in the district of _____

or failing him/her Mr./Ms. _____

of _____ in the district of _____

as my/our proxy to vote for me/us, on my/our behalf at the Twenty Third Annual General Meeting of the Company to be held on Monday, 30th September, 2013 at 11.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Regd. Folio No.: _____

OR

DP ID / CLIENT ID: _____

No. of Shares held _____

Affix Re. 1.00
Revenue Stamp

Note: The Proxy Form signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the scheduled time of meeting. The proxy need not be a member of the Company.

