

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the shareholders of Sunraj Diamond Exports Limited will be held at Dadoba Jagannath Religious Trust, 21-A, Gamdevi Road, Mumbai 400 007 on Friday 28th September, 2012 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 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. Sunny Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jimit 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.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the resolution passed by the shareholders in their meeting held on 30th September, 2009 and in accordance with the provisions of Section 309, 310 and other applicable provisions, if any of the Companies Act, 1956, the scale for the remuneration payable to Mr. Nirav Shah, Executive Director, be enhanced from the current scale of ₹ 20,000/- - ₹ 50,000/- to ₹ 50,000/- - ₹ 1,00,000/- with effect from 1st October, 2012 for the remaining tenure of his service with Sunraj Diamond Exports Limited, i.e. till 31st March, 2014."

"RESOLVED FURTHER THAT the other terms and conditions of his appointment as well as the perquisites payable to him shall remain as per the resolution passed by the shareholders on 30th September, 2009."

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

"RESOLVED THAT in terms of Section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, consent of the Company be and it is hereby accorded to the Board of Directors for borrowing monies from time to time, whether in Rupees or Foreign Currency, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of its paid-up capital and free reserves which have not been set apart for any specific purpose, but such that the total amount upto which monies may be

so borrowed shall not, at any time, exceed ₹ 20,00,00,000 (Rupees Twenty Crores) in excess of the aggregate of the paid-up capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board of Directors (which shall include any Committee which the Board may constitute, or any Director/Officer authorized by the Board for this purpose) be and it is hereby authorized to settle all matters arising out of and incidental to the abovementioned borrowing; and further to take all actions as it may, in its absolute discretion, deem necessary to give full effect to this Resolution.”

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

**SUNNY GANDHI
Executive**

**Registered Office
Director
1008, Panchratna,
Mama Parmanand Marg,
Opera House,
Mumbai 400 004.**

Dated: 7th August, 2012

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. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the share transfer books will remain closed from 21st September, 2012 to 28th September, 2012 both days inclusive.
4. 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, 2012, to those Members or their mandates whose names stand registered in the Company's Register of Members.
 - (a) as Beneficial Owners as at close of Business on 29th September, 2012 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;
 - (b) 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 28th September, 2012. Instruments of Share Transfers, complete in all respects, should reach the Share Transfer Agents i.e. Ajel Limited, Unit : Sunraj Diamond Exports Limited 106, Oshiwara Link Plaza Commercial Complex, 2nd Floor, New Link Road, Oshiwara, Jogeshwari (West), Mumbai 400 102 will before the book closure date.
5. Members are requested to bring their copies of Annual Report and Accounts to the Meeting.

6. (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.
7. 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.
8. 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.

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 6

Mr. Nirav Shah was appointed as the Whole time Director of the Company pursuant to Section 269 and other applicable provisions of the Companies Act, 1956 for a period of 5 years with effect from 1st April, 2009 as per the resolution passed at the Annual General Meeting of the Company held on 30th September, 2009 on the terms as set out in that resolution.

Considering the inflationary trend and the substantial increase in the business activities of the Company, resulting in increase in the workload and responsibilities of the Whole time Director, as also the amount of remuneration payable to managerial personnel occupying similar positions in other comparable Companies, the Board of Directors of the Company has deemed fit to increase the remuneration payable to Mr. Shah to ₹ 75,000/- per month with effect from 1st October, 2012 for the remaining period of his current tenure. The other terms and conditions of his appointment shall remain the same as approved by the members at the Annual General Meeting held on 30th September, 2009. The resolution as set out in this item of the Notice is accordingly, commended for your acceptance.

Although not necessary, a copy of the resolution passed at the Annual General Meeting of the Company held on 30th September, 2009 is available for inspection of the members to ascertain any information that they may require, at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on any working day except Saturday.

The above may also be treated as an Abstract of the variation under section 302 of the Companies Act, 1956.

Except Mr. Nirav Shah, none of the other Directors of the Company is, in any way concerned or interested in the Resolution.

Item No. 7

Section 293(1)(d) of the Companies Act, 1956, prescribes that the Board of Directors of a Company cannot, except with the consent of Members in General Meeting, borrow monies, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate paid-up capital and free reserves of the Company.

The aggregate of the paid-up capital and free reserves of the Company is ₹ 796.59 Lacs. However, in view of the Company's proposed expansion and its enhanced working capital needs, it may be necessary for the Company to borrow monies, by way of Rupees and Foreign Currency Loans from Financial Institutions, bankers as well as loans and deposits from Companies and other lenders. It is anticipated that these borrowing would be in excess of the Company's paid -up capital and free reserves.

The resolution at Item No. 8 of the Notice which is an enabling resolution is necessary in view of the said section 293(1) (d) of the Companies Act, 1956.

None of the Directors is concerned or interested in the said resolution.

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

**SUNNY GANDHI
Executive**

**Registered Office
Director
1008, Panchratna,
Mama Parmanand Marg,
Opera House,
Mumbai 400 004.**

Dated: 7th August, 2012