

SUNRAJ DIAMOND EXPORTS LTD.



**25TH ANNUAL REPORT
2014 - 2015**

SUNRAJ DIAMOND EXPORTS LTD.

DIRECTORS

Mr. Sunil C. Gandhi

Mr. Sunny S. Gandhi

Mr. Nirav K. Shah

Mr. Hargovind Shah

Mr. Jimit Shah

Mrs. Shruti Gandhi

BANKERS

State Bank of India

Bank of Baroda

The Royal Bank of Scotland N.V.

HDFC Bank Ltd.

AUDITORS

M/s. Bhupendra Shroff & Co.

Chartered Accountants

REGISTERED OFFICE

Bharat Diamond Bourse, DC-6111-B,

Bandra Kurla Complex, Bandra (E),

Mumbai - 400 051.

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Adroit Corporate Services Pvt. Ltd.

17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor,

Makwana Road, Marol Naka,

Andheri (East), Mumbai - 400 059.

NOTICE

SUNRAJ DIAMOND EXPORTS LIMITED

(CIN: L36912MH1990PLC057803)

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

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the shareholders of **Sunraj Diamond Exports Limited** will be held at Kshatriya Gnyati Sabha Gruha, 229, Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004. on Wednesday 30th September, 2015 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, 2015 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunny Gandhi (holding DIN 00695322), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modifications or re-enactment thereof for the time being in force, appointment of Bhupendra Shroff & Co., Chartered Accountants (Registration No.101478W), as Statutory Auditors of the Company to hold office from conclusion of the Twenty Fourth Annual General Meeting of the Company until the conclusion of the Twenty Seventh Annual General Meeting, be and is hereby ratified."

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modifications the following Resolution as a **Special Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time any sum or sums of money from Banks, Companies, Bodies Corporate, Financial Institutions, other Lending Institutions, Firms or Persons on such terms and conditions as may be considered appropriate by them in the interest of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business, will exceed aggregate of its Paid up Share Capital and Free Reserves, so however that the total amount already borrowed or to be borrowed by the Board of Directors and outstanding at any one time shall not exceed ₹ 75,00,00,000/- (Rupees Seventy Five Crores) exclusive of interest."

For and on behalf of the Board of Directors

Registered Office

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

SUNNY GANDHI
Executive Director
DIN No. 00695322

Dated: 14th August, 2015

SUNRAJ DIAMOND EXPORTS LTD.

NOTES FOR SHAREHOLDERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to the Special Business at the meeting, is annexed hereto.
3. Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in functional areas, names of Companies in which they hold directorships and memberships/ chairmanships of board Committees and shareholding, are hereto annexed as "Annexure I".
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23/09/2015 to 30/09/2015 (both days inclusive).
5. Members are requested to notify immediately any change of address:
 - (i) To their Depository Participants (DPs) in respect of their electronic share accounts, and
 - (ii) To the Company's Registrar & Share Transfer Agents, Adroit Corporate Services Pvt. Ltd. 17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri - (East), Mumbai - 400 059, in respect of their physical share folios, if any, quoting their folio numbers.
6. In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the Companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.

Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
7. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Office at DC-6111B, Bharat Diamond Bourse, BKC, Bandra - East, Mumbai - 400 051 or from its R&TA at either of the aforesaid addresses.
8. Members intending to require information about the financial Accounts, to be explained at the Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available.
9. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
10. Members are requested to bring their copy of the Annual report to the Meeting.
11. **Voting through electronic means:**

In accordance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule, 2014, the business at the General Meeting may be transacted through electronic voting system. The Company is providing a facility for voting by electronic means ("E-voting") to its members holding shares in physical or dematerialized

form, as on the cut-off date, being 23.09.2015. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities.

Members may also note that the facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

- (a) Log on to the e-voting website www.evotingindia.com
- (b) Click on "Shareholders" tab.
- (c) Now, select the "COMPANY NAME" i. e. Sunraj Diamond Exports Limited from the drop down menu and click on "SUBMIT"
- (d) Now enter your ID,
 - a. For CDSL : 16 Digits beneficiary ID.
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter folio Number registered with the company.
- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) If you are holding shares in demat form and had logged on to www.evotingindia.com And voted on an earlier voting of any Company, then your existing password is to be used.
- (g) If you are a first time user follow the steps given below:

	For Members holding shares in Demat form and Physical Form
PAN*	Enter you 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as Physical Shareholders) <ul style="list-style-type: none"> • "Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field • "In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number R12345 then enter RA00R12345 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company recorded for the said demat account of folio. <ul style="list-style-type: none"> • "Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cutoff date in the Dividend Bank Detail field.

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders

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for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the relevant <Company Name> i.e. Sunraj Diamond Exports Limited, on which you choose to vote.
- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (q) If Demat account holder has forgotten the changed password then Enter the user ID and the image verification code and click on Forgot password & enter the details as promoted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (r) The voting period begins on 27.09.2015 at 9.00 a.m. and ends on 29.09.2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of (record date) of 23.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (s) In case you have any queries or issues regarding e-voting you may refer the frequently Asked Questions ("FAQ") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (t) Mrs. Grishma Khandwala, Practicing Company Secretary, (Membership No. 6515) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- (u) The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same and declare the result of the voting forthwith.
- (v) The Results declared alongwith the Scrutinizer's report shall be placed on the website of CDSL immediately after the declaration of result by the Chairman. The result shall also be immediately forwarded to BSE limited.

For and on behalf of the Board of Directors

Registered Office

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

SUNNY GANDHI
Executive Director
DIN No. 00695322

Dated: 14th August, 2015

ANNEXURE TO THE NOTICE

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

Item No. 4

As per provisions of Section 180(1) (c) of the Act, the Board of Directors of a Company cannot, without the consent of the Company by a Special Resolution, borrow money where the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its Paid Up Share Capital and Free Reserves, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business.

Keeping in view the Company's growth strategy and future plans, the Company may have to resort to further borrowings as and when considered appropriate, which in the aggregate may exceed the aggregate amount of the Paid Up Share Capital and Free Reserves.

In view of this, it is considered prudent to seek the consent of the Members by way of a Special Resolution in accordance with Section 180(1)(c) of the Act to enable the Board of Directors of the Company to borrow up to a maximum of ₹ 75,00,00,000 (Rupees Seventy Five Crores) exclusive of interest.

The Directors recommend the proposed Special Resolution for approval by the Members.

None of the Directors or other Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Special Resolution.

For and on behalf of the Board of Directors

Registered Office

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

SUNNY GANDHI
Executive Director
DIN No. 00695322

Dated: 14th August, 2015

SUNRAJ DIAMOND EXPORTS LTD.

ANNEXURE - I

Details of Director seeking Re-appointment at the Annual General Meeting

1. Name of Director	Mr. Sunny Gandhi
2. Director Identification Number (DIN)	00695322
3. Date of Birth	25.12.1982
4. Date of Appointment	31.01.2006
5. Experience in specific areas	Mr. Sunny Gandhi has completed his B.Com. and has obtained training in manufacturing and assortment of rough and polished diamonds.
6. Academic Qualifications	B.Com
7. Directorship in Other Companies	K. D. Shah Investments Pvt. Ltd. Sunraj Investments & Finance Pvt. Ltd. Gunial Investments & Trading Pvt. Ltd.
8. Professional Qualifications	Mr. Gandhi has 10 years experience in the Diamond industry.
9. Memberships/Chairmanships of Audit and Stakeholders' Relationship committees across Public Companies	Member of Audit Committee
10. Shareholding in the Company (No. of Shares)	13,20,800

DIRECTORS' REPORT

To,
The Members

SUNRAJ DIAMOND EXPORTS LIMITED

Your Directors have pleasure in presenting 25th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March, 2015.

FINANCIAL RESULTS: (STANDALONE)

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

	Year Ended 31.03.2015	Year Ended 31.03.2014
Sales and Other Income	22,34,09,563	40,17,99,379
Profit / (Loss) before Interest and Depreciation	1,24,86,172	1,69,93,984
Less Interest & Finance Expenses	1,15,94,255	1,26,94,107
Profit/(Loss) before Depreciation	891,917	42,99,877
Less/Add: Depreciation	13,41,499	13,44,221
Profit/(Loss) Before Taxation	(449,582)	29,55,656
Less: Provision for Taxation (net)	NIL	7,88,000
Less: Deferred Tax	53,845	1,68,138
Profit/(Loss) for the year	(503,427)	19,99,518
Less: Tax Adjustment relating to prior years	NIL	69,468
Add: Surplus brought forward from Previous year	2,65,08,061	2,45,78,011
Balance Carried to Balance Sheet	2,60,04,634	2,65,08,061

FINANCIAL RESULTS: (CONSOLIDATED)

	Year Ended 31.03.2015	Year Ended 31.03.2014
Sales and other Income	54,97,81,215	40,35,18,850
Profit / (Loss) before Interest and Depreciation	2,87,52,066	1,79,52,112
Less: Interest & Finance Expenses	1,17,00,371	1,26,94,107
Profit/(Loss) before Depreciation	1,70,51,695	52,58,005
Less: Depreciation	13,41,499	13,44,221
Profit/(Loss) Before Taxation	1,57,10,196	39,31,784
Less: Provision for Taxation (net)	NIL	788,000
Less: Deferred Tax	53,845	1,68,138
Profit/(Loss) for the year	1,56,56,351	29,57,646
Less: Tax Adjustment relating to prior years	NIL	69,468
Add: Surplus brought forward from Previous year	3,79,74,234	3,50,86,057
Balance carried to Balance Sheet	5,36,30,585	3,79,74,234

SUNRAJ DIAMOND EXPORTS LTD.

OPERATIONS:

Your Company has recorded a turnover of ₹ 2140.14 lacs during the year under review as opposed to ₹ 3936.48 lacs in the previous year. High raw material prices and long credit extended to our clients have hindered aggressive sales. The company has been conservative on its outlook and therefore has restricted turnover in order to take on minimum risk.

DIVIDEND:

With a view to conserving the resources of your company, your Directors have decided not to recommend Dividend for the year.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e., 31 March 2015, and the date of the Directors' Report.

DIRECTORATE:

In terms of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the Directors liable to retire by rotation, the Independent Directors are not included in the total number of Directors of the Company. Accordingly, Mr. Sunny Gandhi (holding DIN 00695322) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as Director of the Company.

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

BOARD EVALUATION:

Pursuant to the Provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of the Directors individually including Independent Directors, Board as a whole and of its various committees on parameters such as skills, knowledge, participation in meetings, contribution towards Corporate Governance practices, compliance with code of ethics etc.

Independent Directors in terms of Companies Act, 2013 and Clause 49 of the Listing Agreement, carried out performance evaluation of non-independent Directors, Chairman of the Board and Board as a whole with respect to knowledge to perform the role, time and level of participation, performance of duties and level of oversight and professional conduct and independence. The Directors expressed their satisfaction with the evaluation process.

MEETINGS:

During the year 9 Board Meetings were convened and held. The details thereof are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL:

Mr. Sunny Gandhi and Mr. Nirav Shah were appointed Wholetime Director of the Company and Chief Financial Officer (CFO) respectively before the Companies Act, 2013 came into force and Mr. Nirav Shah has also been designated as Key Managerial Personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS:

Necessary declarations have been obtained from all the Independent Directors under sub - section (7) of Section 149 of the Companies Act, 2013.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

Your Company has a wholly owned foreign subsidiary Company in Dubai at the Dubai Multi Commodities Centre (DMCC), UAE in the name of SUNRAJ DIAMONDS DMCC.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts)

Rules, 2014, the statement containing salient features of the Financial statements of the Company's Subsidiaries (in Form AOC-1) is forming part of the Consolidated Financial Statement.

Pursuant to Section 136 of the Companies Act, 2013 the Company is exempted from attaching to its Annual Report the Annual Report of the Subsidiary Company viz. SUNRAJ DIAMONDS DMCC

The financial statement of the subsidiary Company is kept open for inspection by the shareholders at the Registered Office of the Company. The Company shall provide the copy of the financial statement of its subsidiary company to the shareholders upon their request free of cost.

RELATED PARTY TRANSACTIONS:

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence enclosing of form AOC 2 is not required. Suitable disclosure as required by the Accounting Standard (AS-18) has been made in the notes to the Financial Statements.

Particulars of Loans, Guarantees or Investments:

There were No loans, guarantees or investments made by the company u/s 186 of the companies Act, 2013, during the year under review and hence the said provision is not applicable.

Business Risk Management

The Company manages and monitors principal risks and uncertainties that can impact ability of the Company to achieve its targets / objectives. Timely reports are placed before the board for considering various risks involved in the Company business / operations. The Board evaluates these reports and necessary / corrective actions are them implemented.

A brief report on risk evaluation and management is provided under Management's Discussion and Analysis Report forming part of this Annual Report.

Internal Financial Controls

The Company has in place, adequate systems and procedures for implementation of internal financial control across the organization which enables the Company to ensure that these controls are operating effectively.

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

The Company does not own any manufacturing facility and hence the particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Accounts) Rules, 2014 are not applicable. Particulars with regards to foreign exchange expenditure and earning are given in note No. 9 & 10 of the notes to the accounts.

Corporate Social Responsibility (CSR)

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

Directors' Responsibility Statement

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

- a) the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- b) the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for the financial year;
- c) sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;

SUNRAJ DIAMOND EXPORTS LTD.

- d) the Annual Accounts have been prepared on a going concern basis;
- e) the internal financial controls laid down in the Company were adequate and operating effectively;
- f) the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

Share Registrar & Transfer Agent

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

Fixed Deposit

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

Particulars of Employees

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

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

Vigil Mechanism

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

Auditors

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

Auditors' Report

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Grishma Khandwala, Practicing Company Secretary (C.P. No. 1500) to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year ended 31st March, 2015 is annexed herewith as 'Annexure - II' to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

Extract of Annual Return

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

General

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

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

Acknowledgement

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

Corporate Governance:

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

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 14th August, 2015

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

SUNRAJ DIAMOND EXPORTS LTD.

ANNEXURE - I

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer and Chief Financial Officer during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under -

Sl No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (₹ in Lacs)	% increase in Remuneration in the financial year 2014-15	Ratio of remuneration of each Director/to median remuneration of employees
2	Mr. Sunny Gandhi - Executive Director	₹ 6.50 Lacs	N.A	4.16:1
3	Mr. Nirav Shah - Director (CFO)	₹ 9.75 Lacs	N.A	6.25:1

* Employed for the part of the year.

- (ii) The median remuneration of employees of the Company during the financial year 2014-15 was ₹ 1,56,000/-
- (iii) In the financial year 2014-15, there was no increase in the median remuneration of employees.
- (iv) There were 13 permanent employees on the rolls of Company as on March 31, 2015.
- (v) Relationship between average increase in remuneration and company performance: The revenue from operation for the financial year ended March 31, 2015 decreased by 45.63% whereas there has been no increase in median remuneration of the employees.
- (vi) Comparison of remuneration of the each Key Managerial Personnel against the performance of the Company:

Designation	Percentage Increase in Remuneration of KMP	Percentage Increase (Decrease) in Profit (Loss) of the Company	Percentage Increase (Decrease) in Revenue from operations (Gross) of the Company
Nirav Shah - Executive Director	NIL	(73.92%)	(45.63%)

- (vii) Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in market quotation of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

25th Annual Report 2014-2015

Name of Stock Exchange	Closing Market Price per Share (₹)		Percentage increase	Price Earnings Ratio		Market Capitalisation (₹ in lacs)	
	As on 31.03.2014	As on 31.03.2015		As on 31.03.2014	As on 31.03.2015	As on 31.03.2014	As on 31.03.2015
BSE	₹ 15.70	₹ 7.53	-52.04%	43.61	-83.67	₹ 401.38 Lacs	₹ 836.87 Lacs
NSE	NA	NA	NA	NA	NA	NA	NA

The Company has not made any Public Issue or Rights Issue of securities in the last 10 (ten) years, and therefore no comparison has been made of current share price with public offer price.

The Company's shares are listed on BSE Limited.

- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2014-15 was 4.48% whereas the increase in the managerial remuneration for the same financial year was NIL.
- (ix) There is no variable component of remuneration availed by the directors.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable
- (xi) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2015 is as per the Remuneration Policy of the Company.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Company's Financial Year from 1st April, 2014 to 31st March, 2015

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

To,
The Members,
Sunraj Diamond Exports Limited

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period comprising the Company's Financial Year from 1st April, 2014 to 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sunraj Diamond Exports Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008 - Not Applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable
 - (h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998 - Not Applicable
- (vi) As per information provided by the management, there are no laws specifically applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
Not Applicable
- (ii) The Listing Agreements entered into by the company with BSE Limited.

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

I further report that during the year under review:

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decision at the Board Meeting were taken unanimously.

I Further Report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Mumbai, 14th August, 2015.

GRISHMA KHANDWALA

Company Secretary

ACS No. 6515

C.P. No. 1500

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

SUNRAJ DIAMOND EXPORTS LTD.

To,
The Members,
Sunraj Diamond Exports Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

GRISHMA KHANDWALA

Company Secretary

ACS No. 6515

C.P. No. 1500

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

Mumbai, 14th August, 2015.

ANNEXURE - III

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

AS ON FINANCIAL YEAR ENDED ON 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION AND OTHER DETAILS:

1. CIN : **L36912MH1990PLC057803**
2. Registration Date : 22-08-1990
3. Name of the Company : **SUNRAJ DIAMOND EXPORTS LTD.**
4. Category/Sub-Category of the Company : Public Company
5. Address of the Registered Office and contact details : DC-6111B, Bharat Diamond Bourse,
BKC, Bandra (East), Mumbai - 400 051.
Tel. No. 022-4230 4444
Fax No. 022-4230 4408.
6. Whether listed company : BOMBAY STOCK EXCHANGE
7. Name, Address and Contact details of Registrar and Transfer Agent, if any : **Adroit Corporate Services Pvt. Ltd.**
17-20, Jafferbhoy Ind. Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri - East, Mumbai - 400 059.
Tel. No. 022-42270400

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

SUNRAJ DIAMOND EXPORTS LTD.

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

A) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2014)				No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	639100	0	639100	11.99	0	0	0	0.00	-11.99
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) DIRECTORS RELATIVES	479205	0	479205	8.99	479205	0	479205	8.99	0.00
f-2) DIRECTORS	796700	0	796700	14.95	1435800	0	1435800	26.94	11.99
Total Shareholding of promoter (A)	1915005	0	1915005	35.93	1915005	0	1915005	35.93	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)									
i-1) OTHERS	0	100	100	0.00	0	100	100	0.00	0.00
i-2) DIRECTORS RELATIVES	0	1600	1600	0.03	0	1600	1600	0.03	0.00
Sub-total (B) (1)	0	1700	1700	0.03	0	1700	1700	0.03	0.00
(2) Non - Institutions									
a) Bodies Corp.									
i) Indian	45681	87800	133481	2.50	45521	87800	133321	2.50	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	830675	1005900	1836575	34.45	813477	1000700	1814177	34.03	-0.42
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1405789	0	1405789	26.37	1429347	0	1429347	26.82	0.44
c) Others (Specify)									
c-1) NON RESIDENT INDIANS (INDIVIDUALS)	17850	12400	30250	0.57	16850	12400	29250	0.55	-0.02
c-2) CLEARING MEMBER	100	0	100	0.00	100	0	100	0.00	0.00
c-3) DIRECTORS	0	7500	7500	0.14	0	7500	7500	0.14	0.00
Sub-total (B)(2)	2300095	1113600	3413695	64.04	2305295	1108400	3413695	64.04	0.00
Total Public Shareholding(B)= (B)(1)+(B)(2)	2300095	1115300	3415395	64.07	2305295	1110100	3415395	64.07	0.00
C. Shares held by Custodian for GDRs & ADRs.									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public -	0	0	0	0	0	0	0	0	0
Sub-total (C)	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4215100	1115300	5330400	100	4220300	1110100	5330400	100	0

B) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
		No. of Shares	% of Total Shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the company	% of shares Pledged/encumbered to total shares	
1	SUNIL CHANDRAKANT GANDHI	115000	2.16	0.00	115000	2.16	0.00	0.00
2	GUNVANTI CHANDRAKANT GANDHI	375000	7.04	0.00	375000	7.04	0.00	0.00
3	SUNNY SUNIL GANDHI	681700	12.79	0.00	1320800	24.78	0.00	11.99
4	SEAN SUNIL GANDHI	104205	1.95	0.00	104205	1.95	0.00	0.00
5	GUNIAL INVESTMENT AND TRADING PVT. LTD.	639100	11.99	0.00	0	0.00	0.00	-11.99
	TOTAL	1915005	35.93	0.00	1915005	35.93	0.00	0.00

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

Sr. No.	Particulars / Name of Promoter's	As on Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	At the beginning of the year					
	GUNIAL INVESTMENT AND TRADING PVT. LTD.	1/10/2014	639100	11.99	639100	11.99
	Date wise Increase / Decrease in Promoters Share holding during the year	14/11/2014	-639100	11.99	0	0.00
	At the End of the year	31/03/2015	0	0.00	0	0.00
2	At the beginning of the year					
	GUNVANTI CHANDRAKANT GANDHI	1/10/2014	375000	7.04	375000	7.04
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	375000	7.04
3	At the beginning of the year					
	SUNIL CHANDRAKANT GANDHI	1/10/2014	115000	2.16	115000	2.16
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	115000	2.16
4	At the beginning of the year					
	SUNNY SUNIL GANDHI	1/10/2014	681700	12.79	681700	12.79
	Date wise Increase / Decrease in Promoters Share holding during the year	14/11/2014	639100	11.99	1320800	24.78
	At the End of the year	31/03/2015	0	0.00	1320800	24.78
5	At the beginning of the year					
	SEAN SUNIL GANDHI	1/10/2014	104205	1.95	104205	1.95
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	104205	1.95

SUNRAJ DIAMOND EXPORTS LTD.

D) Shareholding Pattern of top ten Shareholders

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

Sr. No.	For Each of the Top 10 Shareholders / Name of Shareholder's	As on Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	At the beginning of the year					
	TUSHAR K MEHTA	1/10/2014	45306	0.85	45306	0.85
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	45306	0.85
2	At the beginning of the year					
	NAITIK C SHAH	1/10/2014	48359	0.91	48359	0.91
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	48359	0.91
3	At the beginning of the year					
	MANTHAN C SHAH	1/10/2014	59925	1.12	59925	1.12
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	59925	1.12
4	At the beginning of the year					
	NIRAVKUMAR KIRITKUMAR SHAH (HUF)	1/10/2014	109100	2.05	109100	2.05
	Date wise Increase / Decrease in Share holding during the year	31/12/2014	21278	0.40	130378	2.45
	At the End of the year	31/03/2015	0	0.00	130378	2.45
5	At the beginning of the year					
	CHINUBHAI V SHAH	1/10/2014	56210	1.05	56210	1.05
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	56210	1.05
6	At the beginning of the year					
	MAHESH CHIMANLAL PATEL	1/10/2014	150000	2.81	150000	2.81
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	150000	2.81
7	At the beginning of the year					
	KAWALJIT SINGH	1/10/2014	261409	4.90	261409	4.90
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	261409	4.90
8	At the beginning of the year					
	TARABEN C SHAH	1/10/2014	85618	1.61	85618	1.61
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	85618	1.61
9	At the beginning of the year					
	NIRAV KIRITBHAI SHAH	1/10/2014	195731	3.67	195731	3.67
	Date wise Increase / Decrease in Share holding during the year			NIL	NIL	
	At the End of the year	31/03/2015	0	0.00	195731	3.67
10	At the beginning of the year					
	FALGUNI RAKESH SHAH	1/10/2014	78530	1.47	78530	1.47
	Date wise Increase / Decrease in Share holding during the year	31/12/2014	-10318	0.19	68212	1.28
	At the End of the year	31/03/2015	0	0.00	68212	1.28

E) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Director and each Key Managerial Personnel Name of Shareholder's	As on Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the company	No. of Shares	% of Total Shares of the company
1	At the beginning of the year					
	Date wise Increase / Decrease in Share holding during the year	-	-	-	-	-
	At the End of the year					

V) INDEBTEDNESS

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

Particulars	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹ 9,60,53,443.00	₹ 131,05,737.00	-	₹ 10,91,59,180.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	₹ 9,60,53,443.00	₹ 131,05,737.00	-	₹ 10,91,59,180.00
Change in Indebtedness during the financial year				
• Addition	₹ 24,72,70,402.00	₹ 3,67,54,320.00	-	₹ 28,40,24,722.00
• Reduction	(₹ 28,70,90,848.00)	(₹ 2,77,76,236.00)	-	(₹ 31,48,67,084.00)
Net Change	(₹ 3,98,20,446.00)	₹ 89,78,084.00	-	(₹ 3,08,42,362.00)
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 5,62,32,997.00	₹ 2,20,83,822.00	-	₹ 7,83,16,819.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	₹ 5,62,32,997.00	₹ 2,20,83,822.00	-	₹ 7,83,16,819.00

SUNRAJ DIAMOND EXPORTS LTD.

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Total Amount
1.	Independent Directors	
	Fee for attending board / committee meetings	NIL
	Commission (Provision)	
	Others, please specify	
	Total (1)	
2.	Other Non-Executive Directors	
	Fee for attending board / committee meetings	
	Commission (Provision)	NIL
	Others, please specify	
	Total (2)	
	Total (B) = (1+2)	NIL
	Total Managerial Remuneration	NIL
	Overall Ceiling as per the Act	

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		CFO	Total Amount
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	₹ 975,000.00	₹ 975,000.00
	b) Value of Perquisites u/s 17 (2) of the Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	• as % of profit	-	-
	• others, specify	-	-
5.	Others, please specify	-	-
	Total	₹ 975,000.00	₹ 975,000.00

SUNRAJ DIAMOND EXPORTS LTD.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

Place : Mumbai,
Dated: 14th August, 2015

SUNNY GANDHI
Executive Director
DIN No. 00695322

NIRAV SHAH
Executive Director
DIN No. 02033505

MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure and Development :

The Diamond Industry has gone through a major change in the last 1 year and the dynamics of all players in the pipeline are becoming well defined and compact. The year has seen many manufacturing businesses that are no longer cutting and therefore shutting shop, and traders on the other hand are more cautious. There is severe resistance of price towards the miners and this has resulted in lower allocation of Rough Diamonds entering the market. This will continue throughout the current financial year and into 2016.

B) Opportunities and Threats :

The weakening of the currency is a big boost for exporters and they are quick to capitalize on pushing sales to good buyers at lower prices. The fall in Rough Diamond prices should also push sales thereby allowing the existing manufacturers to turn profitable.

The threat to the Industry is largely being seen from the emerging existence of Lab Grown CVD Diamonds. These have been circulating the market for the last 2 years and there are more and more instances of these stones being used by unscrupulous traders.

C) Segment-wise Performance :

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

D) Outlook :

The Indian Diamond Industry is going through a period of financial crisis, its first since 2008 and there seems to be a sense of extreme caution and over dependence on discipline within each business house. The prices of Rough and polished diamonds have corrected thereby creating a healthy business atmosphere and encouraging polishing activity under the new Make in India campaign. We expect 2015 - 2016 to be a year where there is not much growth but a healthier and leaner business model being created.

E) Risk and Concerns :

The company identifies a slowdown of the global economy as its biggest risk. This would severely affect export sales to the Far East. A prolonged period of sluggish growth could be harmful in the long run. An unstable currency is another problem that could not resurface.

F) Internal Control Systems and their Adequacy :

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

G) Human Resources :

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

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of Listing Agreement)

1. Company's Philosophy on Code of Governance :

The Company is committed to benchmarking 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, 2015.

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

2. Board of Directors :

Composition and size of the Board

The present strength of the Board is 6. 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 2014-2015, the Board met Nine times. The Board meetings were held on

- | | | |
|--------------------------|-------------------------|------------------------|
| (1) 30th May, 2014 | (2) 20th June, 2014 | (3) 14th August, 2014 |
| (4) 18th September, 2014 | (5) 14th November, 2014 | (6) 6th December, 2014 |
| (7) 12th February, 2015 | (8) 12th March, 2015 | (9) 25th March, 2015 |

SUNRAJ DIAMOND EXPORTS LTD.

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 Memberships	Committee Chairmanships
Mr. Sunny S. Gandhi	WTD	1320800	9	Yes	1	1	Nil
Mr. Hargovind Shah	NED	Nil	5	No	Nil	1	1
Mr. Nirav Kumar Shah	WTD	195731	9	No	Nil	1	1
Mr. Sunil Gandhi	NED	115000	1	No	2	Nil	Nil
Mr. Jimit Shah	NED	Nil	9	Yes	Nil	1	1
Mrs. Shruti Gandhi	NED	Nil	6	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.

3. Audit Committee:

The Audit Committee meetings where held on:

- (1) 30th May, 2014 (2) 14th August, 2014
(3) 14th November, 2014 (4) 12th February, 2015.

Pursuant to provisions of Section 177 of the Companies Act, 2013 and other applicable provisions, the Audit Committee has been reconstituted with revised terms of reference prescribed therein in the Board meeting held on 22nd May, 2014.

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

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

The terms of reference of the Audit Committee are as per the amended Clause 49 of the Listing Agreement and also as per section 177 of the Companies Act, 2013. The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchanges. These include review of accounting and financial policies and procedure, review of financial reporting system, internal control procedures and risk management policies.

The minutes of the Audit committee Meeting were circulated to the Board, discussed and taken note of.

4. Nomination and Remuneration Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013, the Board of Directors of the Company in its meeting held on May 30, 2014 constituted the "Nomination and Remuneration Committee."

The Nomination and Remuneration Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with stock exchanges. The terms of reference of the Nomination and Remuneration Committee as approved by the Board of Directors are briefly set out below:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommended to the Board for their appointment and removal;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board and to carry out evaluation of every director's performance; and
- To devise a policy on Board diversity.

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

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

In terms of the provisions of Clause 49 of the Listing Agreement, the Company has devised a familiarization program for the Independent Directors to help them understand the Company, its management, roles and responsibilities in the Company, operations of the Company, etc.

5. Stakeholders Relationship Committee

Pursuant to the provisions of Section 178(5) of the Companies Act, 2013 and other applicable provisions, Investors'/ Share Holders' Grievances Committee was reconstituted and renamed as the Stakeholder's Relationship Committee in the Board meeting held on 22nd May, 2014. During the year under review the following Directors were the Members of the Shareholders'/ Investors' Grievance Committee.

Member	Position	No. of Meetings held	No. of Meetings attended
Mrs. Shruti Gandhi	Chairman	4	4
Mr. Nirav Shah	Member	4	4

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

Sr. No.	Nature of Complaints	No. of Complaints		
		Received	Resolved	Pending as on 31/03/2015
1)	Non receipt of Annual Report	1	1	NIL
2)	Complaints relating to Dematerialisation of Shares	-	-	NIL
3)	Non - receipt of Shares certificates After transfer / duplicate / Name correction	-	-	NIL
4)	Others	-	-	NIL
	TOTAL	1	1	

6. General Body Meetings:

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

Financial Year	Day and Date	Time
2013 - 2014	Tuesday 30/09/2014	11.30 a.m
2012 - 2013	Monday 30/09/2013	11.30 a.m.
2011 - 2012	Friday 28/09/2012	11.30 a.m.

Location:

The AGM for the year 2013 - 2014 was held at Dadoba Jagannath Religious Trust, 21-A, Gamdevi Road, Mumbai - 400 007.

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Business:

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

7. Disclosures:

1. Related Party Transactions:

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

2. Code of Conduct:

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

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

3. CEO/CFO Certification:

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, the CFO of the Company has certified to the Board regarding his 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, 2015.

4. Risk Management:

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

5. Statutory Compliance, Penalties and Strictures:

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

6. Whistle Blower Policy:

The Company encourages an open door policy where employees have access to the Head of the Business/Function. In terms of P.H. Capital Limited's Code of Conduct, any instance of non-adherence to the code of any other observed/ unethical behavior is to be brought to the attention of the immediate reporting authority, who is required to report the same to Head of Corporate Human Resource.

8. Means of Communication:

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 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:

- | | |
|--|---|
| a. AGM Day, Date, Time | Wednesday, 30th September, 2015 at 11.30 a.m. |
| Venue | Kshatriya Gnyati Sabha Gruha,
229 Raja Ram Mohan Roy Marg, Girgaum,
Mumbai - 400 004. |
| b. Financial Calendar | 01.04.2014 to 31.03.2015 |
| c. Un-Audited Financial Results | The Board of Directors of the Company approves the unaudited results for each quarter within such number of days as may prescribed under the Listing Agreement from time to time. |
| d. Book Closure Period | 23.09.2015 to 30.09.2015 |

e. Listing on Stock Exchanges at:

The Equity Shares of the Company are listed at the The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001.

f. Stock/Company/Security/Common Code:

The Stock Exchange, Mumbai. Code: 523425

g. Demat ISIN No. for Depositories: INE459D01014

h. Market Price Data:

High/Low of the Company's Shares traded in the Stock Exchange, Mumbai, during the financial year 2014- 2015 is furnished below:

Month & Year	Company's Share Price	
	High (₹)	Low (₹)
April 2014	18.00	15.00
May 2014	16.50	11.35
June 2014	13.60	11.13
July 2014	13.31	10.95
August 2014	14.20	10.01
September 2014	14.60	9.77
October 2014	11.15	9.12
November 2014	9.90	8.09
December 2014	9.93	8.59
January 2015	10.18	7.55
February 2015	9.50	7.41
March 2015	9.20	7.53

i. Registrar and Transfer Agents:

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

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

Distribution of Shareholding as on 31st March, 2015

No. of Shares	No. of Holders	% to Total	No. of Shares	% to Total
1 to 500	8,417	94.33	12,36,940	23.20
501 to 1000	298	3.34	246,300	4.62
1001 to 2000	95	1.06	142,442	2.67
2001 to 3000	34	0.38	84,415	1.58
3001 to 4000	15	0.17	55,107	1.03
4001 to 5000	19	0.21	87,040	1.63
5001 To 10000	16	0.18	109,531	2.06
10001 and above	29	0.33	33,68,625	63.21
	8,923	100.00	53,30,400	100.00

SUNRAJ DIAMOND EXPORTS LTD.

Shareholding Pattern of the Company as on 31st March, 2015

Sr. No.	Holders	No. of Shares Held	% of Total
A	Promoters Holding	19,15,005	35.93
B	Non-Institutional Investors		
a.	Bodies Corporate	1,33,321	2.50
b.	Indian Public	32,43,524	60.85
c.	NRI's	29,250	0.55
d.	Others	9,300	0.17
	TOTAL	53,30,400	100.00

Dematerialisation of Shares & Liquidity

As on 31st March, 2015 **79.17%** of the Company's total shares representing 42,20,300 shares were held in dematerialized form.

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

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 14th August, 2015.

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

DECLARATION ON CODE OF CONDUCT

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

To,
The Members of
Sunraj Diamonds Exports Limited

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

For and on behalf of the Board of Directors

Place : Mumbai,
Dated: 14th August, 2015.

SUNNY GANDHI
Executive Director
DIN No. 00695322

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, 2015 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

Mumbai,
Date: 14th August, 2015.

B. N. Shroff
Partner

SUNRAJ DIAMOND EXPORTS LTD.

INDEPENDENT AUDITOR'S REPORT

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

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, 2015, 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. The preparation of these financial statements such that they give a true and fair view on the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 1956, read with rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India, are the responsibility of the Company's management. This responsibility also include maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement
5. 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.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. 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, 2015;

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

Report on Other Legal and Regulatory Requirements

- 8. As required under the Companies (Auditors' Report) Order, 2015 issued by the Company Law Board in terms with section 143(11) of the Companies Act, 2013 we give below a statement on the matters specified in the paragraph 3 and 4 of the said Order.
- 9. As required u/s. 143(3) of the Companies' Act, 2013, 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 Statement of Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as director in terms of section 164 (2) of the Act.

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

B. N. Shroff
Partner

Mumbai,
Date: 29th May, 2015.

Membership No. 5039

The Annexure referred to in paragraph 8 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, 2015.

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.
- (c) 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.

SUNRAJ DIAMOND EXPORTS LTD.

- (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 189 of the Companies Act, 2013. 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 189 of the Companies Act, 2013. 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.

5. Public Deposits

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

6. Cost Records

We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules made by the Central Government for maintenance of Cost Records under section 148 (1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have generally been made and maintained. However, we have not made a detailed examination of the records.

7. Statutory Dues

- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2015 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)

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

8. 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.

9. 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.

10. 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 hence the issue of the terms and conditions thereof being prejudicial to the interest of the Company is not applicable.

11. 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.

12. 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

Mumbai,
Date: 29th May, 2015.

SUNRAJ DIAMOND EXPORTS LTD.

BALANCE SHEET AS ON 31ST MARCH, 2015

EQUITY & LIABILITIES	NOTE No.	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
(1) Shareholders' Funds	13		
(a) Share Capital	13a	53,304,000	53,304,000
(b) Reserves & Surplus	13b	27,172,352	27,675,779
(2) Non-Current Liabilities	14		
(a) Long Term Borrowings	14a	11,041,911	7,115,085
(b) Deferred Tax Liabilities (Net)	14b	2,650,211	2,596,366
(d) Long Term Provisions	14c	7,522,000	6,734,000
(3) Current Liabilities	15		
(a) Short Term Borrowings	15a	86,741,501	111,306,662
(b) Trade payables	15b	63,855,641	89,374,654
(c) Other Current Liabilities	15c	10,910,092	4,627,615
(d) Short Term Provisions	15d	-	788,000
TOTAL		263,197,708	303,522,161
ASSETS			
(4) Non Current Assets	16		
(a) Fixed Assets			
(i) Tangible Assets	16a	18,295,733	19,637,232
(b) Non Current Investments	16b	5,967,100	5,967,100
(c) Long Term Loans and Advances	16c	12,035,525	10,669,705
(5) Current Assets	17		
(a) Inventories	17a	16,187,252	27,745,637
(b) Trade Receivables	17b	207,855,662	224,502,280
(c) Cash and Cash Equivalents	17c	2,692,141	14,735,336
(d) Short term Loans and Advances	17d	164,295	264,871
TOTAL		263,197,708	303,522,161

Notes on Accounts

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

(B. N. SHROFF)

Partner

Membership No. : 5039

Mumbai, 29th May, 2015.

For and on behalf of the Board

SUNIL GANDHI

Director

SUNNY S. GANDHI

Director

Mumbai, 29th May, 2015.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
Revenue			
I Revenue from Operations	18	214,014,265	393,648,850
II Other Income	19	9,395,298	8,150,529
III Total Revenue (I+II)		223,409,563	401,799,379
Expenses:			
Cost of Material Consumed	20	-	51,913,522
Purchase of Finished Goods	21	187,857,780	318,859,390
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	22	11,558,386	(5,622,275)
Employee Benefit Expenses	23	4,676,227	4,447,380
Finance Cost	24	11,594,255	12,694,107
Depreciation and Ammortisation Expenses	25	1,341,499	1,344,221
Other Expenses	26	6,830,998	15,207,377
IV Total Expenses		223,859,144	398,843,723
V Profit / (Loss) before exception and extraordinary items and tax (III-IV)		(449,582)	2,955,656
VI Exceptional Items	27	-	-
VII Profit before Extraordinary Items and Tax (V-VI)		(449,582)	2,955,656
VIII Extraordinary Items		-	-
IX Profit before Tax (VII - VIII)		(449,582)	2,955,656
X Tax Expenses:	28		
(1) Current Tax		-	857,468
(2) Deferred Tax		53,845	168,138
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		(503,427)	1,930,050
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)		(503,427)	1,930,050
XVI Earnings per Equity Share			
(1) Basic		-	0.36
(2) Diluted		-	0.36

Notes on Accounts

As per our report attached
For **BHUPENDRA SHROFF & CO.**
Chartered Accountants
Firm No. : 101458W
(B. N. SHROFF)
Partner
Membership No. : 5039
Mumbai, 29th May, 2015.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director
Mumbai, 29th May, 2015.

SUNRAJ DIAMOND EXPORTS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	31.03.2015		31.03.2014	
	₹	₹	₹	₹
I Cash Flow from Operating Activities				
Net Profit before tax from Profit and Loss A/c		(449,582)		2,955,656
Adjustments for -				
Interest on Loans Paid	6,473,801		10,039,567	
Unrealised Foreign Exchange	(8,510,450)		(1,561,360)	
Interest income	(708,218)		(937,523)	
Depreciation	1,341,499	(1,403,368)	1,344,221	8,884,905
Operating Profit before working capital changes		(1,852,950)		11,840,561
Adjustments for -				
Trade & other Receivables	25,157,068		37,735,407	
Loans and Advances	33,100		(271,289)	
Inventories	11,558,386		(5,253,075)	
Trade & Other Payables	(18,897,703)	17,850,850	(4,985,602)	27,225,440
Cash generated from Operations		15,997,901		39,066,001
Direct Taxes Paid (Net of refund of Taxes)	1,298,344	1,298,344		(1,350,426)
NET CASH FLOW FROM OPERATING ACTIVITIES		14,699,556		40,416,427
II Cash Flow from Investing Activities				
Purchase of Fixed Assets	-			(420,788)
Interest Received	708,218			937,523
NET CASH USED IN INVESTING ACTIVITIES		708,218		516,735
III Cash from Financial Activities				
Loans Received	308,901,412			323,759,272
Loans Repaid	(329,867,779)			(347,839,394)
Dividend & Dividend Distribution Tax Paid	(10,801)			(5,539,525)
Interest on Loans Paid	(6,473,801)			(10,039,567)
NET CASH USED IN INVESTING ACTIVITIES		(27,450,969)		(39,659,214)
Net increase/(decrease) in cash and cash equivalents		(12,043,195)		1,273,948
Cash and Cash Equivalents - Opening Balance		14,735,336		13,461,387
Cash and Cash Equivalents - Closing Balance		2,692,141		14,735,336

AUDITORS' CERTIFICATE

We have checked the attached Cash flow Statement of SUNRAJ DIAMOND EXPORTS LIMITED, for the year ended 31st March, 2015 from the books maintained by the company in the course of business and has been in accordance therewith.

As per our report attached

For **BHUPENDRA SHROFF & CO.**

Chartered Accountants

Firm No. : 101458W

(B. N. SHROFF)

Partner

Membership No. : 5039

Mumbai, 29th May, 2015.

For and on behalf of the Board

SUNIL GANDHI

Director

SUNNY S. GANDHI

Director

Mumbai, 29th May, 2015.

NOTES TO ACCOUNTS

1. (a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The financial statements are prepared under historical cost convention on accrual basis accordance with the requirements of the Companies Act, 1956 & Companies Act, 2013.

(b) FOREIGN CURRENCY TRANSACTIONS

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

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

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

(c) REVENUE RECOGNITION

Sale of Goods:

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

(d) RELATED PARTY DISCLOSURES

Companies in which Directors are interested

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

Management / Directors

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

Shareholders

- Nirav K. Shah (HUF)

SUNRAJ DIAMOND EXPORTS LTD.

Account Balances of Related Parties

Name of Person	Opening Credit Balance as on 01.04.2014	Transactions during the year (Net)	Closing Credit Balance as on 31.03.2015	Maximum Outstanding
Sunny Gandhi	1,29,36,323	91,47,499	220,83,822	2,71,77,297
Sunil Gandhi	1,69,414	(1,69,414)	NIL	86,18,886
Nirav Shah (HUF)	45,33,839	(45,33,839)	NIL	45,33,839
Sunraj Investment & Finance Pvt. Ltd.	56,19,016	(56,19,016)	NIL	90,03,890

Transactions with Related Parties

Name of Party	Relationship	Transaction	Amount (₹)
Sunny Gandhi	Director	Remuneration	650,000/-
Nirav Shah	Director	Remuneration	975,000/-
Nirav Shah (HUF)	Shareholder	Interest Paid	95,112/-
Sunraj Investment & Finance Pvt. Ltd.	Related Concern	Interest Paid	5,55,556/-
Sunny Gandhi	Director	Interest Paid	19,14,403/-

(e) EARNING PER SHARE

	2014-2015 ₹	2013-2014 ₹
(i) Profit / (Loss) after Tax	(5,03,427)	19,99,518
(ii) Less : Short Provision for Tax of earlier years	(NIL)	(69,468)
	<u>(5,03,427)</u>	<u>19,30,050</u>
	Nos.	Nos.
(iii) Weighted average number of Ordinary Shares for Basic EPS	53,30,400	53,30,400
Less : Calls in Arrears (Proportionate)	-	-
	<u>53,30,400</u>	<u>53,30,400</u>
(iv) Nominal Value of Ordinary Share	₹ 10/-	₹ 10/-
(v) Basic/Diluted Earnings per Share	₹ -0.09	₹ 0.36

(f) DEFERRED TAXATION

Deferred Tax Liability for the year is ₹ 53,845/-

(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.

	2014-15 ₹	2013-14 ₹
Salaries & Bonus	16,25,000	15,75,000
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

Item	Quantity in Carats	Value ₹
Rough Diamonds	NIL	NIL
(Previous Year)	(12,374.19)	(5,15,44,321)
Synthetic Diamonds	NIL	NIL
(Previous Year)	(27,930)	(4,45,063)
		NIL
		(5,19,89,384)

7. C.I.F. VALUE OF IMPORTS

	Current Year ₹	Previous Year ₹
Raw Materials	NIL	5,15,44,322

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

	Current Year		Previous Year	
	₹	%	₹	%
Imported	NIL	NIL	515,44,321	99.14
Indigenous	NIL	NIL	4,45,063	00.86
	NIL	NIL	5,19,89,384	100.00

SUNRAJ DIAMOND EXPORTS LTD.

9. EXPENDITURE IN FOREIGN EXCHANGE

Foreign Travelling Expenditure ₹ 4,22,055/- (Previous year ₹ 16,98,568.00/-)

10. EARNING IN FOREIGN EXCHANGE

F.O.B. Value of Exports and Exchange Difference - ₹ 16,85,79,880/- (Previous year ₹ 33,78,36,486/-).

11. STOCK & TURNOVER

Items	Units	Opening Stock		Closing Stock		Turnover/Consumption	
		Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
Finished Goods							
Cut & Polished Diamonds	Cts	1,277.63 (232.62)	15,512,230 (9,889,955)	205.49 (1,277.63)	5,073,291 (15,512,230)	12,198.14 (15,413.39)	232,925,695 (424,562,390)
Jewellery	Gms	1,757.45 (1,757.45)	4,989,003.00 (4,989,003)	1,519.58 (1,757.45)	4,347,152 (4,989,003)	237.87 NIL	602,183 NIL
Jewellery	Nos.	NIL NIL	NIL NIL	NIL NIL	NIL NIL	3.00 4.00	467,340 896,433
Emerald Cut & Polished Stones	Cts	103.34 (103.34)	365,066 (365,066)	103.34 (103.34)	365,066 (365,066)	NIL NIL	NIL NIL
Synthetic Crystals	Cts	200.18 (200.18)	6,879,337 (6,879,337)	185.07 (200.18)	6,401,742 (6,879,337)	15.11 (Nil)	495,049 (Nil)
Raw Materials							
Rough Diamonds	Cts	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL (12,374.19)	NIL (51,544,322)
Synthetic Rought Diamonds	Cts	NIL (27,930.00)	NIL (369,200)	NIL NIL	NIL NIL	NIL (27,930.00)	NIL (445,063)

Previous year figures are given in brackets.

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

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

(B. N. SHROFF)

Partner

Membership No. : 5039

Mumbai, 29th May, 2015.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI

Director

Mumbai, 29th May, 2015.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
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	-	-
	53,304,000	53,304,000
The details of shareholders holding more than 5% equity shares as at the reporting date are as under :-		
Name of the Shareholders	No. of Shares held & % of holding	No. of shares held & % of holding
Sunny Sunil Gandhi	13,20,800 Sh - 24.78%	6,81,700 Sh - 12.79%
Gunvanti Chandrakant Gandhi	3,75,000 Sh - 7.04%	3,75,000 Sh - 7.03%
Gunial Investment and Finance Private Limited		- 6,39,100 Sh - 12.00%
13b Reserves and Surplus		
Capital Reserves:		
Capital Reserve	598,000	598,000
Add: Addition during the year	-	-
Closing Balance A	598,000	598,000
Revenue Reserve:		
General Reserve	569,718	569,718
Add: Transfer from Profit & Loss Account	-	-
Closing Balance B	569,718	569,718
Surplus in Profit & Loss Account		
Opening Balance	26,508,061	24,578,011
Add: Surplus / (Defecit) in Profit and Loss for the year	(503,427)	1,930,050
Closing Balance C	26,004,634	26,508,061
Total (B + C)	26,574,352	27,077,779
Total (A + B + C)	27,172,352	27,675,779

SUNRAJ DIAMOND EXPORTS LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
14 Non Current Liabilities		
14a Long Term Borrowings		
Secured Borrowings		
Axis Bank Ltd.	-	137,418
Kotak Mahindra Prime Ltd.	-	424,798
	<u>-</u>	<u>562,216</u>
Nature of Security :-		
Secured against hypothecation of Car		
Unsecured Borrowings		
Loans From Directors	<u>11,041,911</u>	<u>6,552,869</u>
	<u>11,041,911</u>	<u>6,552,869</u>
Total	<u>11,041,911</u>	<u>7,115,085</u>
14b Deferred Tax Liabilities (Net)	<u>2,650,211</u>	<u>2,596,366</u>
	<u>2,650,211</u>	<u>2,596,366</u>
14c Long Term Provisions		
Provision for Tax	<u>7,522,000</u>	<u>6,734,000</u>
	<u>7,522,000</u>	<u>6,734,000</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
15 Current Liabilities		
15a Short Term Borrowings		
Secured Borrowings		
Loans payable on demand - Postshipment Finance from The Royal Bank of Scotland	55,670,741	94,600,938
	55,670,741	94,600,938
Nature of Security :-		
Working Capital facility (Postshipment Finance) Secured against		
- Guarantee : - Personal Guarantee of the Directors		
- Collateral:		
- Hypothecation of stocks and receivables		
- Equitable Mortgage of the Registered Office fo the Company		
Other Loan facility Secured against hypothecation of Cars		
Unsecured Borrowings		
- Loans and advances from related parties	-	10,152,855
- Loans and advances from Company	20,028,849	-
- Loans From Directors	11,041,911	6,552,869
	31,070,760	16,705,724
Total	86,741,501	111,306,662
15b Trade Payable	63,855,641	89,374,654
	63,855,641	89,374,654
15c Other Current Liabilities		
Other Payables		
Current Maturity of long term debts		
Axis Bank Ltd. - Secured against hypothecation of car	137,458	216,995
Kotak Mahindra Prime Ltd. - Secured against hypothecation of car s	424,798	673,294
Advance Against Sale of Panchartna Property	5,000,000	-
TDS Payable	333,192	436,203
Unclaimed Dividend Payable *	1,795,957	1,806,758
Sundry Creditors for Expenses	2,980,262	1,291,914
Security Deposits	200,000	200,000
Other Payables	38,425	2,451
	10,910,092	4,627,615
*Investor Education and Protection Fund to be credited by the amount as and when required.		
15d Short Term Provisions		
Provision for Tax	-	788,000
	-	788,000

SUNRAJ DIAMOND EXPORTS LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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	2,800,703	246,699	3,047,402	12,334,213	12,087,514
Vehicles	9.50	9,916,801	-	-	9,916,801	3,359,687	942,096	4,301,783	6,557,115	5,615,019
Furniture & Fixture	6.33	886,016	-	-	886,016	661,806	44,196	706,002	224,210	180,014
Office Equipments	6.33	1,196,760	-	-	1,196,760	675,066	108,508	783,574	521,694	413,186
TOTAL		27,134,493	-	-	27,134,493	7,497,262	1,341,499	8,838,761	19,637,232	18,295,733

ACCOUNTING OF DEPRECIATION

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

ACCOUNTING FOR FIXED ASSETS

All Fixed Assets are valued at cost less Depreciation

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
16b Non Current Investments		
Investments in Equity Instruments	15,000	15,000
a. Rander Peoples' Co-op. Bank Limited 150 (Previous Year 150) Equity Shares of ₹ 100/- each fully paid up		
b. Investments in Share Capital of Subsidiary Company (100%) Sunraj Diamond DMCC	5,952,100	5,952,100
	5,967,100	5,967,100
Further Details		
Aggregate value of quoted investments and market value	-	-
Aggregate amount of unquoted investments	5,967,100	5,967,100
Aggregate provision for diminution in value of investments	-	-
	5,967,100	5,967,100
Accounting for Investments		
Investments are stated at cost of acquisition.		
16c Long Term Loans and Advances		
(a) Capital Advances;	2,775,906	2,708,430
(b) Security Deposits;	304,908	304,908
(d) Other Loans and Advances (Income Taxes).	8,954,711	7,656,367
	12,035,525	10,669,705
(ii) The above shall also be separately sub-classified as:		
(b) Unsecured, considered good;	12,035,525	10,669,705
	12,035,525	10,669,705

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
17 Current Assets		
17a Inventories		
(a) Inventories		
Raw Materials (At cost including incidental expenses incurred for its acquisition)	-	-
Finished Goods (At cost or market value whichever is lower)	16,187,252	27,745,637
	<u>16,187,252</u>	<u>27,745,637</u>
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	197,064,281	35,647,875
Less than six months	10,791,381	188,854,405
	<u>207,855,662</u>	<u>224,502,280</u>
Sub-classified		
Unsecured, considered good	207,855,662	224,502,280
	<u>207,855,662</u>	<u>224,502,280</u>
17c Cash and Cash equivalent		
(a) Cash and Cash equivalent		
Balances with Banks	2,426,305	2,198,951
Cash on hand	265,836	90,596
Bank Fixed Deposits	-	12,445,788
	<u>2,692,141</u>	<u>14,735,336</u>
Fixed Deposit held as pledged against secured loan taken from The Royal Bank of Scotland N.V.	-	12,445,788
17d Short Term Loans and Advances		
(a) Other Loans and Advances (specify nature)		
TDS Receivable from Four Season's Hotel	-	13,089
Auto Hanger (India) Pvt. Ltd. - Honda Accord	-	8,845
Prepaid Insurance	104,295	84,937
Loan to Staff	60,000	158,000
	<u>164,295</u>	<u>264,871</u>
Sub-classified		
Secured, considered good	-	-
Unsecured, considered good	104,295	94,937

SUNRAJ DIAMOND EXPORTS LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
18 Revenue from Operations		
(a) Sale of Products	214,014,265	393,648,850
	<u>214,014,265</u>	<u>393,648,850</u>
19 Other Income		
(a) Interest Income	708,218	937,523
(b) Other non-operating Income	930,645	502,718
(c) Exchange Difference	7,756,435	6,710,287
	<u>9,395,298</u>	<u>8,150,529</u>
20 Cost of Materials Consumed		
Opening Stock of Rough Diamonds	-	369,200
Add: Purchases during the year	-	51,544,322
Less: Closing Stock of Rough Diamonds	-	-
	<u>-</u>	<u>51,913,522</u>
21 Purchase of Finished Goods	187,857,780	318,859,390
(Cut and Polished Diamonds, Gold Jewellery & Pearls)		
22 Changes in inventories of Finished Goods, Work in Progress and Stock in Trade		
Finished Goods (Cut & Polished Diamonds)		
Closing Stocks	16,187,252	27,745,637
Less: Opening Stocks	27,745,637	22,123,362
	<u>11,558,386</u>	<u>(5,622,275)</u>
23 Employee Benefit Expenses		
(1) Salaries and Wages	2,821,500	2,700,500
(2) Directors Remuneration	1,625,000	1,575,000
(3) Staff Welfare Expenses	229,727	171,880
	<u>4,676,227</u>	<u>4,447,380</u>
24 Finance Cost		
(1) Interest Expenses	6,473,801	10,039,567
(2) Other Borrowing Cost	5,120,454	2,654,540
	<u>11,594,255</u>	<u>12,694,107</u>
25 Depreciation and Amortisation Cost		
Deprecation on Fixed Assets	1,341,499	1,344,221

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
26 Other Expenses		
Advertisement and Sales Promotion	332,233	249,808
Agency Commission on Import /Export	8,175	26,675
Rates and Taxes, excluding taxes on income	5,524	13,800
Assortment charges	666,890	1,305,250
Audit Fees	308,990	308,990
Office Expense	37,055	42,939
Brokerage & Commission	804,974	1,961,740
Business Promotion	286,168	599,698
Clearing & Forwarding chgs (Import & Export)	13,046	52,859
Conveyance & Travelling Expenses-Local	87,783	90,117
Donation	11,000	11,000
Exhibition Fees	202,906	244,718
Insurance	202,641	182,421
Labour Charges	-	5,441,990
Legal & Professional Fees	435,793	609,456
Listing Fees	112,360	29,213
Membership & Subscription	76,533	78,521
Miscellaneous Expenses	18,119	6,002
Postage, Telephone & telex	679,455	635,456
Printing & Stationery	102,060	145,386
Registration & Trf Agent Fees	59,085	33,708
Electricity Charges	70,132	-
Rent & Maintenance Charges	1,322,623	863,702
Travelling Expenses-Foreign	422,055	1,698,567
Vehicle Expenses	565,398	575,361
	<u>6,830,998</u>	<u>15,207,377</u>
27 Exceptional Items		
(1) Disposals of items of Fixed Assets	-	-
	-	-
	<u>-</u>	<u>-</u>
28 Tax Expenses		
Current Tax	-	788,000
Add: Excess / Short provisions of taxes	-	69,468
	-	857,468
Deferred Tax	53,845	168,138
	<u>53,845</u>	<u>1,025,606</u>

SUNRAJ DIAMOND EXPORTS LTD.

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, 2015
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 : USD 246,242
for the year ended 31st March, 2015 ₹ 1,50,19,273
 - b) not dealt with in the accounts of the Company : NIL
for the year ended 31st March, 2014
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 : USD 13,315
for the year ended 31st March, 2014 ₹ 7,61,344
 - b) not dealt with in the accounts of the Company : NIL
for the year ended 31st March, 2013

Note: Converted at the rate of Exchange USD 1 = Rs. 62.63 prevailing on 31.03.2015

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 14th August, 2015

SUNIL GANDHI
Executive Director

SUNNY GANDHI
Executive Director

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SUNRAJ DIAMOND EXPORTS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary SUNRAJ DIAMOND DMCC (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

SUNRAJ DIAMOND EXPORTS LTD.

assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of Sunraj Diamond DMCC subsidiary, whose financial statements / financial information reflect total assets of ₹ 6,86,30,269 as at 31st March, 2015, total revenues of ₹ 32,52,31,148 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements include the Group's share of net profit/loss of ₹ 1,57,10,196 for the year ended 31st March, 2015, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Company, and its subsidiary company.

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

B. N. Shroff
Partner

Mumbai,
Date: 29th May, 2015.

Membership No. 5039

SUNRAJ DIAMOND EXPORTS LTD.

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2015

EQUITY & LIABILITIES	NOTE No.	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
(1) Shareholders' Funds	13		
(a) Share Capital	13a	53,304,000	53,304,000
(b) Reserves & Surplus	13b	54,798,303	39,141,952
(2) Non-Current Liabilities	14		
(a) Long Term Borrowings	14a	11,041,911	7,115,085
(b) Deferred Tax Liabilities (Net)	14b	2,650,211	2,596,366
(d) Long Term Provisions	14c	7,522,000	6,734,000
(3) Current Liabilities	15		
(a) Short Term Borrowings	15a	86,806,609	111,369,145
(b) Trade payables	15b	103,002,623	98,489,728
(c) Other Current Liabilities	15c	12,738,910	6,145,236
(d) Short Term Provisions	15d	-	788,000
TOTAL		331,864,568	325,683,512
ASSETS			
(4) Non Current Assets	16		
(a) Fixed Assets			
(i) Tangible Assets	16a	18,295,733	19,637,232
(ii) Intangible Assets	16a	38,841	38,841
(b) Non Current Investments	16b	15,000	15,000
(c) Long Term Loans and Advances	16c	12,052,586	10,686,071
(5) Current Assets	17		
(a) Inventories	17a	16,187,252	30,617,247
(b) Trade Receivables	17b	275,791,038	242,810,477
(c) Cash and Cash Equivalents	17c	3,369,974	15,489,642
(d) Short term Loans and Advances	17d	6,114,145	6,389,004
TOTAL		331,864,568	325,683,512

Notes on Accounts

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

(B. N. SHROFF)
Partner
Membership No. : 5039
Mumbai, 29th May, 2015.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2015.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	Note No.	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
Revenue			
I Revenue from Operations	18	539,245,413	393,648,850
II Other Income	19	10,535,803	9,870,000
III Total Revenue (I+II)		<u>549,781,215</u>	<u>403,518,850</u>
Expenses:			
Cost of Material Consumed	20	-	51,913,522
Purchase of Finished Goods	21	494,303,946	318,859,390
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	22	14,551,876	(5,622,275)
Employee Benefit Expenses	23	4,676,227	4,447,380
Finance Cost	24	11,700,371	12,694,107
Depreciation and Ammortisation Expenses	25	1,341,499	1,344,221
Other Expenses	26	7,497,100	15,968,721
IV Total Expenses		<u>534,071,019</u>	<u>399,605,067</u>
V Profit / (Loss) before exception and extraordinary items and tax (III-IV)		15,710,196	3,913,783
VI Exceptional Items	27	-	-
VII Profit before Extraordinary Items and Tax (V-VI)		15,710,196	3,913,783
VIII Extraordinary Items		-	-
IX Profit before Tax (VII - VIII)		15,710,196	3,913,783
X Tax Expenses:	28		
(1) Current Tax		-	857,468
(2) Deferred Tax		53,845	168,138
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		<u>15,656,351</u>	<u>2,888,177</u>
XII Profit/(Loss) from discontinued Operations		-	-
XIII Tax Expenses of discontinued Operations		-	-
XIV Profit/(Loss) from discontinuing Operations after Tax (XII-XIII)		-	-
XV Profit/(Loss) for the period (XI - XIV)		<u>15,656,351</u>	<u>2,888,177</u>
XVI Earnings per Equity Share			
(1) Basic		2.94	0.54
(2) Diluted		2.94	0.54

Notes on Accounts

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

(B. N. SHROFF)
Partner

Membership No. : 5039

Mumbai, 29th May, 2015.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2015.

SUNRAJ DIAMOND EXPORTS LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	31.03.2015		31.03.2014	
	₹	₹	₹	₹
I Cash Flow from Operating Activities				
Net Profit before tax from Profit and Loss A/c		15,710,196		3,913,784
Adjustments for -				
Interest on Loans Paid	6,473,801		10,039,567	
Unrealised Foreign Exchange	(8,510,450)		(1,561,359)	
Interest income	(708,218)		(937,523)	
Depreciation	1,341,499	(1,403,368)	1,344,221	8,884,906
Operating Profit before working capital changes		14,306,829		12,798,689
Adjustments for -				
Trade & other Receivables	(24,470,112)		35,964,924	
Loans and Advances	206,688		(6,038,276)	
Inventories	14,429,995		(5,530,796)	
Trade & Other Payables	11,445,403	1,611,975	(3,347,163)	21,048,688
Cash generated from Operations		15,918,803		33,847,378
Direct Taxes Paid (Net of refund of Taxes)	1,298,344	1,298,344		(1,350,426)
NET CASH FLOW FROM OPERATING ACTIVITIES		14,620,459		35,197,803
II Cash Flow from Investing Activities				
Purchase of Fixed Assets	-			(420,788)
Interest Received	708,218			937,523
NET CASH USED IN INVESTING ACTIVITIES		708,218		516,735
III Cash from Financial Activities				
Loans Received	308,901,412			323,759,272
Loans Repaid	(329,865,155)			(347,833,327)
Dividend & Dividend Distribution Tax Paid	(10,801)			(5,539,525)
Interest on Loans Paid	(6,473,801)			(10,039,567)
NET CASH USED IN INVESTING ACTIVITIES		(27,448,345)		(39,653,146)
Net increase/(decrease) in cash and cash equivalents		(12,119,668)		(3,938,607)
Cash and Cash Equivalents - Opening Balance		15,489,642		19,428,250
Cash and Cash Equivalents - Closing Balance		3,369,974		15,489,642

AUDITORS' CERTIFICATE

We have checked the attached consolidated Cash flow Statement of SUNRAJ DIAMOND EXPORTS LIMITED, for the year ended 31st March, 2015 from the books maintained by the company in the course of business and has been in accordance therewith.

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

(B. N. SHROFF)
Partner
Membership No. : 5039
Mumbai, 29th May, 2015.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2015.

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON MARCH 31, 2015

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 & Companies Act, 2013.
- (b) The consolidated financial statement has been prepared under historical cost convention on an accrual basis.

2. Principle of Consolidation

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

Name of Subsidiary	Country of Incorporation	Ownership Interest / Voting Power	Financial Period
Sunraj Diamonds DMCC	Dubai	100%	April 14 to March 15

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

SUNRAJ DIAMOND EXPORTS LTD.

- (viii) The exchange difference amounting to ₹ 11,40,505 on conversion of all the assets and liabilities of the foreign subsidiary as on Balance Sheet date has been credited to 'Exchange Difference' appearing in Schedule 19 - Other Income.
- (ix) The financial statements of Sunraj Diamonds DMCC for the period April 2014 to March 2015 have been prepared & are audited as per the generally accepted principles (GAAP) of the country in which it operates, and the same is being considered for the purpose of consolidation.
- (x) Other significant accounting policies are as set out in standalone financial statement of Sunraj Diamond Exports Ltd., to the extent applicable.

CONSOLIDATED STOCK STATEMENT AS ON 31.03.2015

Items	Units	Opening Stock		Closing Stock		Turnover/Consumption	
		Quantity	Value ₹	Quantity	Value ₹	Quantity	Value ₹
Finished Goods							
Cut & Polished Diamonds	Cts	1,277.63 (232.62)	15,512,230 (9,889,955)	205.49 (1,277.63)	5,073,291 (15,512,230)	15,970.27 (15,413.39)	412,030,534 (424,562,390)
Jewellery	Gms	1,757.45 (1,757.45)	4,989,003.00 (4,989,003)	1,519.58 (1,757.45)	4,347,152 (4,989,003)	237.87 NIL	602,183 NIL
Jewellery	Nos.	NIL NIL	NIL NIL	NIL NIL	NIL NIL	8.00 4.00	146,593,649 896,433
Emerald Cut & Polished Stones	Cts	103.34 (103.34)	365,066 (365,066)	103.34 (103.34)	365,066 (365,066)	NIL NIL	NIL NIL
Synthetic Crystals	Cts	200.18 (200.18)	6,879,337 (6,879,337)	185.07 (200.18)	6,401,742 (6,879,337)	15.11 (Nil)	495,049 (Nil)
Raw Materials							
Rough Diamonds	Cts	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL (12,374.19)	NIL (51,544,322)
Synthetic Rought Diamonds	Cts	NIL (27,930.00)	NIL (369,200)	NIL NIL	NIL NIL	NIL (27,930.00)	NIL (445,063)

Previous year figures are given in brackets.

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

(B. N. SHROFF)
Partner
Membership No. : 5039
Mumbai, 29th May, 2015.

For and on behalf of the Board
SUNIL GANDHI
Director

SUNNY S. GANDHI
Director

Mumbai, 29th May, 2015.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
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 details of shareholders holding more than 5% equity shares as at the reporting date are as under :-		
Name of the Shareholders	No.of Shares held & % of holding	No.of shares held & % of holding
Sunny Sunil Gandhi	13,20,800 Sh - 24.78%	6,81,700 Sh - 12.79%
Gunvanti Chandrakant Gandhi	3,75,000 Sh - 7.04%	3,75,000 Sh - 7.03%
Gunial Investment and Finance Private Limited		- 6,39,100 Sh - 12.00%
13b Reserves and Surplus		
Capital Reserves:		
Capital Reserve	598,000	598,000
Add: Addition during the year	-	-
Closing Balance A	598,000	598,000
Revenue Reserve:		
General Reserve	569,718	569,718
Add: Transfer from Profit & Loss Account	-	-
Closing Balance B	569,718	569,718
Surplus in Profit & Loss Account		
Opening Balance	37,974,234	35,086,057
Add: Surplus / (Defecit) in Profit and Loss for the year	15,656,351	2,888,177
Closing Balance C	53,630,585	37,974,234
Total (B + C)	54,200,303	38,543,952
Total (A + B + C)	54,798,303	39,141,952

SUNRAJ DIAMOND EXPORTS LTD.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
14 Non Current Liabilities		
14a Long Term Borrowings		
Secured Borrowings		
Axis Bank Ltd.	-	137,418
Kotak Mahindra Prime Ltd.	-	424,798
	<u>-</u>	<u>562,216</u>
Nature of Security :-		
Secured against hypothecation of Car		
Unsecured Borrowings		
Loans From Directors	<u>11,041,911</u>	<u>6,552,869</u>
	<u>11,041,911</u>	<u>6,552,869</u>
Total	<u>11,041,911</u>	<u>7,115,085</u>
14b Deferred Tax Liabilities (Net)	<u>2,650,211</u>	<u>2,596,366</u>
	<u>2,650,211</u>	<u>2,596,366</u>
14c Long Term Provisions		
Provision for Tax	<u>7,522,000</u>	<u>6,734,000</u>
	<u>7,522,000</u>	<u>6,734,000</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
15 Current Liabilities		
15a Short Term Borrowings		
Secured Borrowings		
Loans payable on demand - Postshipment Finance from The Royal Bank of Scotland	55,670,741	94,600,938
	55,670,741	94,600,938
Nature of Security :-		
Working Capital facility (Postshipment Finance) Secured against		
- Guarantee : - Personal Guarantee of the Directors		
- Collateral:		
- Hypothecation of stocks and receivables		
- Equitable Mortgage of the Registered Office fo the Company		
Other Loan facility Secured against hypothecation of Car		
Unsecured Borrowings		
- Loans and advances from related parties	-	10,152,855
- Loans and advances from Company	20,028,849	-
- Loans From Directors	11,107,019	6,615,352
	31,135,868	16,768,207
Total	86,806,609	111,369,145
15b Trade Payable	103,002,623	98,489,728
	103,002,623	98,489,728
15c Other Current Liabilities		
Other Payables		
Current Maturity of long term debts		
Axis Bank Ltd. - Secured against hypothecation of car	137,458	216,995
Kotak Mahindra Prime Ltd. - Secured against hypothecation of car	424,798	673,294
Advance Against Sale of Panchartna Property	5,000,000	-
TDS Payable	333,192	436,203
Unclaimed Dividend Payable *	1,795,957	1,806,758
Sundry Creditors for Expenses	4,809,080	2,809,535
Security Deposits	200,000	200,000
Other Payables	38,425	2,451
	12,738,910	6,145,236
*Investor Education and Protection Fund to be credited by the amount as and when required.		
15d Short Term Provisions		
Provision for Tax	-	788,000
	-	788,000

SUNRAJ DIAMOND EXPORTS LTD.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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	2,800,703	246,699	3,047,402	12,334,213	12,087,514
Vehicles	9.50	9,916,801	-	-	9,916,801	3,359,687	942,096	4,301,783	6,557,115	5,615,019
Furniture & Fixture	6.33	886,016	-	-	886,016	661,806	44,196	706,002	224,210	180,014
Office Equipments	6.33	1,196,760	-	-	1,196,760	675,066	108,508	783,574	521,694	413,186
TOTAL		27,134,493	-	-	27,134,493	7,497,262	1,341,499	8,838,761	19,637,232	18,295,733
Intangible Assets										
Goodwill on Consolidation		38,841			38,841				38,841	38,841
Total		38,841	-	-	38,841	-	-	-	38,841	38,841

ACCOUNTING OF DEPRECIATION

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

ACCOUNTING FOR FIXED ASSETS

All Fixed Assets are valued at cost less Depreciation.

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
16b Non Current Investments		
Investments in Equity Instruments	15,000	15,000
a. Rander Peoples' Co-op. Bank Limited		
150 (Previous Year 150) Equity Shares of ₹ 100/- each fully paid up		
b. Investments in Share Capital of Subsidiary Company (100%) Sunraj Diamond DMCC	<u>-</u>	<u>-</u>
	15,000	15,000
Further Details		
Aggregate value of quoted investments and market value	-	-
Aggregate amount of unquoted investments	15,000	15,000
Aggregate provision for diminution in value of investments	-	-
	15,000	15,000
Accounting for Investments		
Investments are stated at cost of acquisition.		
16c Long Term Loans and Advances		
(a) Capital Advances;	2,775,906	2,708,430
(b) Security Deposits;	321,968	321,274
(d) Other Loans and Advances (Income Taxes).	8,954,711	7,656,367
	<u>12,052,586</u>	<u>10,686,071</u>
(ii) The above shall also be separately sub-classified as:		
(b) Unsecured, considered good;	12,052,586	10,669,705
	<u>12,052,586</u>	<u>10,669,705</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
17 Current Assets		
17a Inventories		
(a) Inventories		
Raw Materials (At cost including incidental expenses incurred for its acquisition)	-	-
Finished Goods (At cost or market value whichever is lower)	16,187,252	30,617,247
	16,187,252	30,617,247
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	264,999,657	53,956,072
Less than six months	10,791,381	188,854,405
	275,791,038	242,810,477
Sub-classified		
Unsecured, considered good	275,791,038	224,502,280
	275,791,038	224,502,280
17c Cash and Cash equivalent		
(a) Cash and Cash equivalent		
Balances with Banks	3,104,137	2,953,258
Cash on hand	265,836	90,596
Bank Fixed Deposits	-	12,445,788
	3,369,974	15,489,642
Fixed Deposit held as pledged against secured loan taken from The Royal Bank of Scotland N.V.	-	12,445,788
17d Short Term Loans and Advances		
(a) Other Loans and Advances (specify nature)		
TDS Receivable from Four Season's Hotel	-	13,089
Auto Hanger (India) Pvt. Ltd. - Honda Accord	-	8,845
Prepaid Insurance & Other Expenses	104,295	501,470
Advance to Supplier	5,949,850	5,707,600
Loan to Staff	60,000	158,000
	6,114,145	6,389,004
Sub-classified		
Secured, considered good	-	-
Unsecured, considered good	104,295	94,937

SUNRAJ DIAMOND EXPORTS LTD.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
18 Revenue from Operations		
(a) Sale of Products	539,245,413	393,648,850
	539,245,413	393,648,850
19 Other Income		
(a) Interest Income	708,218	937,523
(b) Other non-operating Income	930,645	502,718
(c) Exchange Difference	8,896,940	8,429,758
	10,535,803	9,870,000
20 Cost of Materials Consumed		
Opening Stock of Rough Diamonds	-	369,200
Add: Purchases during the year	-	51,544,322
Less: Closing Stock of Rough Diamonds	-	-
	-	51,913,522
21 Purchase of Finished Goods (Cut and Polished Diamonds, Gold Jewellery & Pearls)	494,303,946	318,859,390
22 Changes in inventories of Finished Goods, Work in Progress and Stock in Trade		
Finished Goods (Cut & Polished Diamonds)		
Closing Stocks	16,187,252	27,745,637
Less: Opening Stocks	30,739,128	22,123,362
	14,551,876	(5,622,275)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
23 Employee Benefit Expenses		
(1) Salaries and Wages	2,821,500	2,700,500
(2) Directors Remuneration	1,625,000	1,575,000
(3) Staff Welfare Expenses	229,727	171,880
	4,676,227	4,447,380
24 Finance Cost		
(1) Interest Expenses	6,473,801	10,039,567
(2) Other Borrowing Cost	5,226,570	2,654,540
	11,700,371	12,694,107
25 Depreciation and Amortisation Cost		
Deprecation on Fixed Assetss	1,341,499	1,344,221

SUNRAJ DIAMOND EXPORTS LTD.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	AS AT 31.03.2015 ₹	AS AT 31.03.2014 ₹
26 Other Expenses		
Advertisement and Sales Promotion	332,233	249,808
Agency Commission on Import /Export	8,175	26,675
Rates and Taxes, excluding taxes on income	5,524	13,800
Assortment charges	666,890	1,305,250
Audit Fees	308,990	308,990
Office Expense	37,055	42,939
Brokerage & Commission	804,974	1,961,740
Business Promotion	286,168	599,698
Clearing & Forwarding chgs (Import & Export)	13,046	52,859
Conveyance & Travelling Expenses-Local	87,783	90,117
Donation	11,000	11,000
Exhibition Fees	202,906	244,718
Insurance	202,641	182,421
Labour Charges	-	5,441,990
Legal & Professional Fees	825,078	973,231
Listing Fees	112,360	29,213
Membership & Subscription	76,533	78,521
Miscellaneous Expenses	18,119	149,581
Postage,Telephone & telex	679,455	635,456
Printing & Stationery	102,060	145,386
Registration & Trf Agent Fees	59,085	33,708
Electricity Charges	70,132	-
Rent & Maintenance Charges	1,599,440	1,117,692
Travelling Expenses-Foreign	422,055	1,698,567
Vehicle Expenses	565,398	575,361
	7,497,100	15,968,721
27 Exceptional Items		
(1) Disposals of items of Fixed Assets	-	-
	-	-
28 Tax Expenses		
Current Tax	-	788,000
Add: Excess / Short provisions of taxes	-	69,468
	-	857,468
Deferred Tax	53,845	168,138
	53,845	1,025,606

SUNRAJ DIAMOND EXPORTS LIMITED

CIN : L36912MH1990PLC057803

Regd. Office : DC-6111B, Bharat Diamond Bourse, BKC, Bandra - East, Mumbai - 400 051.
Phone: 91-22-4230 4444, Fax: +91-22-4230 4408, Email: info@sunrajdiamonds.com, Website: www.sunrajdiamonds.com

ATTENDANCE SLIP

25TH ANNUAL GENERAL MEETING - SEPTEMBER 30, 2015 AT 11:30 A.M.

Name of the Member(s) :		No. of Shares :	
Registered Address :			
E-mail ID :			
Folio No./DP ID-client ID :			
I / We hereby record my / our presence at the 25th Annual General Meeting of Sunraj Diamond Exports Limited being held on Wednesday, the 30th September, 2015 at 11.30 a.m at Kshatriya Gnyati Sabha Gruha, 229 Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004.			
Note: Please complete this slip and hand it over at the entrance of the Meeting venue.			Member's / Proxy's Signature
ELECTRONIC VOTING PARTICULARS			
Electronic Voting Sequence Number (EVSN)	User ID	Default PAN/ Sequence No./Password	
* Only Members who have not updated their PAN with Company / Depository Participant shall use default PAN (10 digit sequence number) which is printed on the address sticker at TOP RIGHT SIDE IN BOLD.			
Note: For E-voting, please read the instructions printed in the Notice dated 14th August, 2015 of the 25th Annual General Meeting. The Voting period for remote E-voting begins on 27th September, 2015 at 9.00 a.m and ends on to 29th September, 2015 at 5.00 p.m. The E-voting module shall be disabled by CDSL for voting thereafter.			

FORM NO. MGT - 11

PROXY FORM

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

CIN No.	: L36912MH1990PLC057803
Name of the Company	: SUNRAJ DIAMOND EXPORTS LIMITED
Registered Office	: DC-6111B, Bharat Diamond Bourse, BKC, Bandra - East, Mumbai - 400 051.
Name of the Member(s)	:
Registered Address	:
E-mail ID	:
Folio No./DP ID-client ID	:

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Wednesday, 30th September, 2015 at 11:30 a.m. at Kshatriya Gnyati Sabha Gruha, 229 Raja Ram Mohan Roy Marg, Girgaum, Mumbai - 400 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Optional *	
		For	Against
Ordinary Business			
1	Adoption of (a) Audited Financial Statement alongwith Reports of Board of Directors and Auditors thereon for the year ended 31st March, 2015 (b) Audited Consolidated Statement for the year ended 31st March, 2015.		
2	Re-appointment of Mr. Sunny Gandhi as a Director, who retire by rotation.		
3	Ratification of appointment M/s. Bhupendra Shroff & Co., Chartered Accountant as Auditors of the Company.		
Special Business			
4	To consider Resolution under section 180(1)(c).		

Signed this day of 2015.

Signature of Proxyholder(s) Signature of Member

**Affix Re.1
Revenue
Stamp**

Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 25th Annual General Meeting.
- 3) It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4) Please complete all details including details of member(s) in above box before submission.

Book - Post

To,

If undelivered, please return to :

Sunraj Diamond Exports Ltd.

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