

SU-RAJ DIAMONDS AND JEWELLERY LIMITED
Registered Office: Kesharba Market-2, Gotalawadi, Katargam, Surat 395 004



NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the Members of Su-Raj Diamonds and Jewellery Limited will be held on Wednesday, the 18th day of January, 2012 at Mahida Bhawan, Icchanath, Opp. S.V.R. Engineering College, Dumas Road, Surat 395 007 at 11.30 a.m. to transact the following business:

Preferential Issue of Equity Shares to the Foreign Institutional Investors (FIIs):

To consider and, if thought fit, to pass, with or without modification, if any, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) (hereinafter referred to as the Act) and the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, including any amendment thereto or re-enactment thereof for the time being in force (hereinafter referred to as the SEBI ICDR Regulations), as applicable to the preferential issue of Equity Shares, and other applicable regulations of the Securities and Exchange Board of India (the “SEBI”), if any, the applicable provisions of Foreign Exchange Management Act, 1999 (“FEMA”), rules, regulations, guidelines, notifications and circulars issued under FEMA including but not limited to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement including amendments thereto entered into with the Stock Exchanges where the Equity Shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions of Reserve Bank of India (“RBI”), the Department of Industrial Policy and Promotion, Ministry of Commerce, the Foreign Investment Promotion Board (“FIPB”), and all other authorities as may be required, whether in India or outside India, (hereinafter collectively referred to as “Appropriate Authorities”), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as “Requisite Approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) which expression shall also include a Committee thereof for the time being exercising the powers conferred on the Board by this resolution), approval of members of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches, to the following Foreign Institutional Investors (FIIs) on preferential basis, upto an aggregate of 3,63,63,636 (Three Crore Sixty Three Lakh Sixty Three Thousand Six Hundred and Thirty Six Only) Equity Shares, of Rs.10/- (Rupees Ten) each, viz.

| Sr. No. | Name of the Proposed Allottees | No. of Shares upto |
|---------|---|--------------------|
| 1. | Passage to India Master Fund Limited | 1,01,81,818 |
| 2. | Sparrow Asia Diversified Opportunities Fund | 98,18,182 |
| 3. | Davos International Fund | 85,45,454 |
| 4. | Leman Diversified Fund | 78,18,182 |
| | Total | 3,63,63,636 |

at a price being the highest of the following:

- The average of weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the six months preceding the “Relevant Date”;
- The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the two weeks preceding the “Relevant Date”; or
- Rs. 55/- (Rupees Fifty Five) per Equity Share of Rs.10/- each.”

“RESOLVED FURTHER THAT the ‘Relevant Date’ for the purpose of issue of Equity Shares as per Chapter VII (Preferential Issue) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended upto date for determination of the applicable price of Equity Shares shall be 19th December, 2011, being the date 30 days prior to the date of the General Meeting of the members of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required, referred to above or as may be necessary in accordance with the terms of the offer, and all such Equity Shares shall be ranking *pari-passu* and *inter-se* with the existing Equity Shares of the Company in all respects save and except that they shall rank for dividend, if any, from the relevant financial year in which they are allotted.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion deem necessary, desirable or expedient to the issue/offer, allotment of the aforesaid Equity Shares, listing thereof with the stock exchanges and to resolve and settle all questions and difficulties that may arise in the proposed issue/offer, allotment of aforesaid Equity Shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee or Sub-Committee of Directors or the Chairperson or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution, with the power to such Committee/Sub-Committee of the Board to further delegate all or any of its powers/duties to any of its members.”

“RESOLVED FURTHER THAT any of the foregoing that have been done by the Board on or before the date hereof be and are adopted, ratified, confirmed and approved.”

By Order of the Board of Directors
For **Su-Raj Diamonds and Jewellery Limited**

Place : Mumbai
Date : 19th December, 2011

Asish Narayan
Company Secretary

**NOTES:**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
- 2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts is annexed hereto.
- 3) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the ensuing Extraordinary General Meeting.
- 4) Members/Proxies should fill the Attendance Slip for attending the Meeting, Members who hold shares in dematerialized form are requested to bring their Client DP ID numbers for easy identification for attendance at the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

The Board of Directors of the Company at its meeting held on 19th December, 2011 resolved to issue, subject to necessary approval, in aggregate not exceeding 3,63,63,636 Equity Shares, to the following Foreign Institutional Investors (FIIs), Viz.

| Sr. No. | Name of the Proposed Allottees | No. of Shares upto |
|---------|---|--------------------|
| 1. | Passage to India Master Fund Limited | 1,01,81,818 |
| 2. | Sparrow Asia Diversified Opportunities Fund | 98,18,182 |
| 3. | Davos International Fund | 85,45,454 |
| 4. | Leman Diversified Fund | 78,18,182 |
| | Total | 3,63,63,636 |

who have expressed their willingness in subscribing to the Equity Shares of the Company on Preferential Issue basis and in accordance with the Regulations for Preferential Issue i.e., Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, any offer or issue of shares in a company to persons other than the holders of equity shares of a company requires prior approval of the shareholders in general meeting by a Special Resolution. The Listing Agreement executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all Securities for subscription pro-rata to the shareholders unless the shareholders in general meeting decide otherwise.

The details and disclosures required under Regulation 73 of the SEBI ICDR Regulations are as under:

1. Object of the preferential issue:

Funds raised from the issue will be utilized for augmenting the long term capital resources and to meet the requirements of growth of the Company.

2. Intention of the Promoters/Promoter Group, or their associates and relatives, Directors/Key Managerial Persons, to subscribe to the Offer :

Not Applicable.

3. Shareholding Pattern of the Company before and after the Preferential Issue & Conversion of Warrants :

| Category | Pre-Issue | | Post-Issue * | | Post Conversion of Warrants # | |
|---|--------------------|--------------------|---------------------|--------------------|-------------------------------|--------------------|
| | No. of shares held | % of share-holding | No. of shares held | % of share-holding | No. of shares held | % of share-holding |
| Promoters : | | | | | | |
| Indian | 2,55,72,064 | 38.26 | 2,55,72,064 | 24.78 | 2,89,72,064 | 27.18 |
| Foreign | - | - | - | - | - | - |
| Total Promoters | 2,55,72,064 | 38.26 | 2,55,72,064 | 24.78 | 2,89,72,064 | 27.18 |
| Non-Promoters : | | | | | | |
| Foreign Institutional Investors | 2,44,79,473 | 36.62 | 6,08,43,109 | 58.95 | 6,08,43,109 | 57.07 |
| NRIs | 6,13,988 | 0.92 | 6,13,988 | 0.59 | 6,13,988 | 0.58 |
| Mutual Funds/UTI | 36,500 | 0.05 | 36,500 | 0.04 | 36,500 | 0.03 |
| Banks, Financial Institutions, Insurance Companies etc. | 39,593 | 0.06 | 39,593 | 0.04 | 39,593 | 0.04 |
| Others | 1,61,02,640 | 24.09 | 1,61,02,640 | 15.60 | 1,61,02,640 | 15.10 |
| Total Non-Promoters | 4,12,72,194 | 61.74 | 7,76,35,830 | 75.22 | 7,76,35,830 | 72.82 |
| Total of Promoters and Non-Promoters | 6,68,44,258 | 100.00 | 10,32,07,894 | 100.00 | 10,66,07,894 | 100.00 |

* After preferential issue of 3,63,63,636 Equity Shares to Foreign Institutional Investors.

34,00,000 Convertible Warrants had been allotted to the Promoters on 14th October, 2010 and the due date of conversion into 34,00,000 Equity Shares is 13th April, 2012.



4. Proposed time limit within which the Preferential Issue shall be completed :

The allotment of Equity Shares is proposed to be completed within 15 days of passing of the Special Resolution, provided further that, where the allotment on preferential basis is pending on account of pendency of any approval of such allotment by any regulatory authority, or the Central Government, the allotment shall be completed within 15 days from the date of such approval, in terms of Chapter VII of SEBI ICDR Regulations.

5. Identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, consequent to the preferential issue :

| Name of the Allottees | Category of the Allottees | Pre-Issue Equity Holding of the Allottees | | Post-Issue Equity Holding of the Allottees | |
|---|---------------------------|---|-----|--|--------------|
| | | % | No. | % | |
| Passage to India Master Fund Limited | FII | - | - | 1,01,81,818 | 9.87 |
| Sparrow Asia Diversified Opportunities Fund | FII | - | - | 98,18,182 | 9.51 |
| Davos International Fund | FII | - | - | 85,45,454 | 8.28 |
| Leman Diversified Fund | FII | - | - | 78,18,182 | 7.58 |
| Total | | - | - | 3,63,63,636 | 35.24 |

As a result of the Issue there will be no change in the control of the Company.

6. Payment Terms :

The investor applying for the Equity Shares shall pay the amount on or before the date of allotment of the Equity Shares.

7. Relevant Date and Price :

The Relevant Date i.e. 19th December, 2011 mentioned in the Special Resolution is as prescribed in Regulation 71 of the SEBI ICDR Regulations.

The price at which the Equity Shares shall be issued is the highest of the following as per Regulation 76 of the SEBI ICDR Regulations:

- The average of weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the six months preceding the "relevant date";
- The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the two weeks preceding the "relevant date"; or
- Rs.55/- (Rupees Fifty Five) per Equity Share of Rs.10/- each.

Stock exchange for the purposes of this clause means the recognized stock exchange on which the equity shares of the Company are listed and in which the highest trading volume in respect of the Equity Shares of the Company has been recorded during the six months preceding the Relevant Date. The Equity Shares of the Company are listed at BSE & NSE and the recognised stock exchange for the purpose of preferential issue of the company is BSE.

8. Lock-in:

The Equity Shares to be allotted to the FII shall be locked-in for a period, as prescribed in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

9. Undertaking:

In terms of the SEBI ICDR Regulations, the Company hereby undertakes that:

- It would re-compute the price of the Shares in terms of the provisions of the SEBI ICDR Regulations where it is required to do so.
- If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by allottees.

10. Auditors' Certificate:

A certificate from the Statutory Auditors, M/s. R.C. Reshamwala and Company, Chartered Accountants, certifying issue price and that the proposed preferential issue is in accordance with the provisions of the SEBI ICDR Regulations will be available for inspection at the Registered Office of the Company on all working days except Saturdays and Public holidays from 11.00 a.m. to 5.00 p.m. upto the date of the meeting and shall be available for inspection at the meeting.

11. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Regulations)

In terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011, including any amendment thereto or re-enactment thereof for the time being in force, the investors as mentioned above in this notice are not required to and do not intend to make any open offer.

The Board of Directors recommends passing of the above resolution as a Special Resolution.

None of the directors of the Company is, in any way, concerned or interested in the said resolution.

All the documents referred to in the accompanying notice shall be available for inspection at the Registered Office of the Company on any working day between 11.00 A.M. and 5.00 P.M. upto the date of the Extraordinary General Meeting and will also be available for inspection at the meeting.

By Order of the Board of Directors
For **Su-Raj Diamonds and Jewellery Limited**

Place : Mumbai
Date : 19th December, 2011

Asish Narayan
Company Secretary

BOOK POST

If undelivered please return to:

Link Intime India Private Limited

Unit : Su-Raj Diamonds and Jewellery Limited

C-13, Pannalal Silk Mills Compound

L.B.S. Road, Bhandup (West), Mumbai 400 078

SU-RAJ DIAMONDS AND JEWELLERY LIMITED

Registered Office: Kesharba Market-2, Gotalawadi, Katargam, Surat 395 004

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Shares Held _____

Regd.Folio No. _____ DP ID No. _____ Client ID No. _____

(Name in BLOCK letters) _____

I hereby record my presence at the EXTRAORDINARY GENERAL MEETING of the Company held at Mahida Bhawan, Icchanath, Opp. S.V.R. Engineering College, Dumas Road, Surat 395 007 on Wednesday, the 18th January, 2012 at 11.30 a.m.

Member's/Proxy's Signature

-----CUT HERE-----

SU-RAJ DIAMONDS AND JEWELLERY LIMITED

Registered Office: Kesharba Market-2, Gotalawadi, Katargam, Surat 395 004

PROXY FORM

Shares Held _____

Regd.Folio No. _____ DP ID No. _____ Client ID No. _____

(Name in BLOCK letters) _____

I/We _____ of _____ being a Member/Members of the above-named Company, hereby appoint _____

of _____ in the district of _____ or

failing him _____ of _____ in the district of _____

as my/our proxy to vote for me/us and on my/our behalf at the EXTRAORDINARY GENERAL MEETING of the Company to be held on Wednesday, the 18th January, 2012 at 11.30 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix
One Rupee
Revenue
Stamp

Note: The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.