

## **NOTICE**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of **SWARNSARITA GEMS LIMITED** will be held at Agrasen Bhavan, 90 feet Road, Garodiya Nagar, Ghatkopar (East), Mumbai-400077 on Thursday, 22<sup>nd</sup> September, 2016 at 11.00 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the standalone and consolidated Audited Financial Statements as at 31<sup>st</sup> March, 2016 together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Asha M. Chordia, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.
3. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

**“RESOLVED THAT**, pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 22<sup>nd</sup> September 2014, the appointment of **M/s. . Suresh Anchaliya & Co., Chartered Accountants** (Firm Registration no. 112492W) as the auditors of the Company to hold office till the conclusion of the fifth consecutive AGM to be held in the year 2019 be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration payable to them for the financial year ended 31<sup>st</sup> March 2017 as may be determined by the audit committee in consultation with the auditors.”

### **SPECIAL BUSINESS:**

#### **4. APPOINTMENT OF INDEPENDENT DIRECTOR**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the Companies Act, 2013, Mr. Dhruvin Bharat Shah (DIN: 07528387), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 28, 2016 and who holds office up to the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 but who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member of the Company proposing his appointment as a Director of the Company and who has consented, if appointed, to act as an Independent Director, be and is hereby appointed as an Independent Director of the Company up to May 27, 2021, not liable to retire by rotation.”

## 5. REAPPOINTMENT OF MANAGING DIRECTOR

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Mahendra Madanlal Chordia (DIN: 00175686) as the Managing Director of the Company, for a further period of 5 (five) years with effect from April 01, 2016, on the terms and conditions including the revision in remuneration, if any, as set out in the Statement annexed to the notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Mahendra Madanlal Chordia, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

## 6. SERVICE OF DOCUMENTS

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member by the company by sending to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the shareholder.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, director or key managerial personnel of the company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary , proper or desirable or expedient to give effect to above resolution.”

## **7. CREATION OF MORTGAGE/CHARGE**

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

“RESOLVED THAT in supersession of the resolution passed by the Shareholders of the Company and pursuant to Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situated, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding Rs.500,00,00,000/- (Rupees Five Hundred Crores only).”

“RESOLVED FURTHER THAT the Board of Directors or such Committee or person/(s) as may be authorized by the Board be and is hereby authorized to finalize the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and / or movable properties of the Company on such terms and conditions and at such time(s) / tranch(es) as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.”

## **8. TO APPROVE BORROWING LIMITS OF THE COMPANY**

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

“RESOLVED THAT in supersession of the resolution passed by the Shareholders of the Company and pursuant to Section 180 (1)(c) of the Companies Act, 2013 and other applicable provisions, if any, 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, for the purpose of the Company’s business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding shall be in excess of the aggregate of the paid-up share capital and free reserves, but not exceeding Rs.500,00,00,000/- (Rupees Five Hundred Crores only) over and above the paid up share capital and free reserves for the time being of the Company.”

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

**Place : Mumbai**  
**Date : 20<sup>th</sup> August, 2016**

**Mahendra M. Chordia**  
**Managing Director**  
**DIN: 00175686**

**REGISTERED OFFICE:**  
17/19, Ground Floor,  
Dhanji Street, Mumbai- 400 003.  
Maharashtra

**NOTES:**

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.***

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Managing Director, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. The Register of Members and Share Transfer Books will remain closed from Thursday, 15<sup>th</sup> September, 2016 to Thursday, 22<sup>nd</sup> September, 2016 (both days inclusive).
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & Public holidays between 12.00 p.m. to 2.00 p.m. up to the date of Annual General Meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at SHAREX DYNAMIC (INDIA) PRIVATE LIMITED Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072 in respect of their physical share folios.
9. Members are requested to bring their copy of Annual Report to the Meeting alongwith their respective Attendance Slip sent herewith duly filled for attending the Meeting.
10. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialized at the earliest.
11. Explanatory statement pursuant to section 102(1) of the Companies Act, 2013 is annexed for items of the Special Businesses in the Notice of AGM.

12. Copies of Annual Report 2015-2016 are being sent by electronic mode to all the members whose email address are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode.

**13. Instructions for Voting through electronics means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 24<sup>th</sup> Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Monday, September 19, 2016 (9:00 am) and ends on Wednesday, September, 21, 2016 (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 Thursday, September 15, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on Shareholders.
- (v) Now Enter your User 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

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

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant Swarnsarita Gems Limited on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**ITEM NO. 4:**

Mr. Dhruvin Bharat Shah was appointed as an Additional Director by the Board with effect from May 28, 2016, pursuant to Section 161 of the Companies Act, 2013, read with Article 108 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Dhruvin Bharat Shah will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Dhruvin Bharat Shah for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Dhruvin Bharat Shah the following:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- ii. Intimation in Form DIR-8 in terms of Companies ( Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013; and
- iii. A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Dhruvin Bharat Shah as an Independent Director of the Company up to May 27, 2021 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Dhruvin Bharat Shah, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and he is Independent of the Management.

No Director, Key Managerial Personnel or their relatives, except Mr. Dhruvin Bharat Shah, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.4 for approval of the Members.

## **ITEM NO. 5**

The Board of Directors of the Company at its meeting held on May 28, 2016 has, subject to the approval of members, re-appointed Mr. Mahendra Madanlal Chordia as the Managing Director of the Company for a further period of 5 (five) years from the expiry of his present term, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the approval of members for the re-appointment and remuneration payable to Mr. Mahendra Madanlal Chordia, in terms of applicable provisions of the Companies Act, 2013.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Mahendra Madanlal Chordia is as under:

### **Salary :**

Not exceeding Rs. 24,00,000/- (Rupees Twenty Four Lacs only) per annum.

### **Perquisites:**

In addition to the above salary, the following perquisites shall also be granted:

- a) Bonus: Payable at such intervals as may be decided by the Board of Directors.
- b) Performance Bonus/ Variable payout: Payable at such intervals as may be decided by the Board of Directors.
- c) Long-term bonus plan: Entitled to long-term bonus payment, as may be decided by the Board of Directors.
- d) Allowances:
  - (i) Medical reimbursement/allowance: as per the rules of the Company;
  - (ii) Provision for driver/ driver's salary allowance : as per the rules of the Company;
  - (iii) Personal accident insurance: As per the rule of the Company.
- e) Other :
  - (i) Earned/ privilege leave: As per the rules of the Company.
  - (ii) Encashment of leave: As per the rules of the Company.

### **General :**

- (i) The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and direction given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.
- (iii) The Managing Directors shall adhere to the Company's code of conduct.

Mr. Mahendra Madanlal Chordia satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his re-appointment. He is not disqualified for being appointed as Director in terms of section 164 of the Act.

Brief resume of Mr. Mahendra Madanlal Chordia, nature of his expertise in specific functional areas, names of companies in which he holds directorships and membership/chairmanships amongst directors inter-se as stipulated under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Mrs. Asha Chordia (being wife) and Mr. Mahendra Madanlal Chordia (being himself) may be deemed to be interested in the resolution as set out at Item No. 05 of the notice, which pertains to his re-appointment and remuneration payable to him.

Save and except the above, none of the other Directors, Key Managerial Personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the said Resolution set out at Item No. 05 of the notice for approval by the shareholders.

#### **ITEM NO.6**

Pursuant to the provisions of Section 20 of the Companies Act, 2013, a document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed.

Further, for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed. However, if a member requests for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

Taking into consideration the above provision, your Board places before the Members the resolution proposed in Item No.6 for their approval.

None of the Directors, their relatives of any Key Managerial Personnel may be deemed to be in any way, concerned or interested, financially or otherwise in passing of this resolution.

## **ITEM NO.7**

Your Board of Directors is of the opinion that for any future business expansion or diversification which may be carried out by the Company, the Company requires infusion of additional funds. Hence, the requirement for mobilization of the funds has been substantially increased. Therefore, it is considered desirable to increase the Board's borrowing powers upto the limit of Rs.500 Crores over and above the paid-up share capital and free reserves of the Company.

Accordingly, the consent of the Shareholders at the General Meeting is sought under Section 180 (1) (c) of the Companies Act, 2013.

Your Directors recommend passing the above special resolution.

None of the Directors, their relatives of any Key Managerial Personnel may be deemed to be in any way, concerned or interested, financially or otherwise in passing of this special resolution.

## **ITEM NO.8**

The Company may borrow monies by way of debentures, bonds, loans, hire purchase finance either in rupee or in foreign currency from Financial Institutions / Banks / Insurance Companies and other Corporate Bodies apart from working capital facilities from banks in ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and / or charges on all or some of the immovable and movable properties of the Company, both present and future, in favour of the lenders / trustees. To create mortgage and / or charge upto the limit of Rs.500 crores, approval of the Members is required to be obtained pursuant to Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard. Hence the resolution is placed before the Members for their approval.

Your Directors recommend passing the above special resolution.

None of the Directors, their relatives of any Key Managerial Personnel may be deemed to be in any way, concerned or interested, financially or otherwise in passing of this special resolution.

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

**Place : Mumbai**  
**Date : 20<sup>th</sup> August, 2016**

**Mahendra M. Chordia**  
**Managing Director**  
**DIN: 00175686**

**REGISTERED OFFICE:**  
17/19, Ground Floor,  
Dhanji Street, Mumbai- 400 003.  
Maharashtra