



18th

ANNUAL REPORT

2011-2012



SHEETAL DIAMONDS LIMITED

BOARD OF DIRECTORS :

SHRI VINOD T. SHAH
SHRI NIRANJAN P.VYAS
SHRI PANKAJ V. SHAH

Managing Director
Director
Director

AUDITORS:

HARDIK H. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS, MUMBAI

CONSULTANT:

GIRISH MURARKA & CO.
COMPANY SECRETARIES

BANKERS :

VIJAYA BANK, VILE PARLE (W), MUMBAI
AXIS BANK, ANDHERI (W), MUMBAI

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REGISTERED OFFICE:

Office No. 8, 1st Floor
Sitaram Niwas, 1st Bhatwadi,
J.S.S.Road, Opera House
MUMBAI 400 004

SHARE REGISTRAR & TRANSFER AGENT:

PURVA SHAREGISTRY INDIA PRIVATE LIMITED
9, Shiv Shakti Industrial Estate,
J.R Boricha Marg, Opp Kasturba Hospital,
Lower Parel (East), Mumbai – 400 011
Tel: 022 23018261



SHEETAL DIAMONDS LIMITED

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of **SHEETAL DIAMONDS LIMITED** will be held on Friday, the 28th day of September, 2012 at 10.00 a.m. at Office No. 8, First Floor, Sitaram Niwas, 1st Bhatwadi, J.S.S. Road, Opera House, Mumbai – 400 004 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' and Auditors' reports and Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr. Niranjana P. Vyas who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Hardik H. Shah & Associate, Chartered Accountants, to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass the following resolution as an Special Resolution with or without modifications

RESOLVED THAT Mr. Pankaj V. Shah, who was appointed as Additional Director by the Board of Directors at its duly convened Board Meeting held on 1st October, 2011 and who holds office upto the date of ensuing Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the Company has received notice in writing from member u/s 257 of the Act, proposing his candidature for office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT APROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Explanatory Statement, pursuant to section 173(2) in respect of Special business to be transacted at the Meeting is annexed herewith.
3. Members are required to intimate the change, if any in their registered address.
4. The Register of Members and Share Transfer Books shall remain closed from Friday, 25th September, 2012 to Friday, 28th September, 2012 both days inclusive.
5. Explanatory statement under section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the meeting is annexed hereto and shall be forming part of the notice. The relevant details in respect of the Directors, seeking re-appointments required to be provided pursuant to Clause 49 of the Listing Agreement are also annexed hereto.

Place : Mumbai
Date : 31st August, 2012
Regd. Office
Office No. 8, First Floor
Sitaram Niwas, 1st Bhatwadi,
J.S.S. Road, Opera House
Mumbai - 400 004

For and on behalf of the board of Directors

Sd/-

Vinod T. Shah
Managing Director



SHEETAL DIAMONDS LIMITED

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 FORMS PART OF THE NOTICE OF ANNUAL GENERAL MEETING

The following explanatory statement, pursuant to section 173(2) of the Companies Act, 1956, sets out all material facts relating to the business mentioned at item no. 4 of the accompanying notice dated 31st August, 2012.

Item No. 4 :

Mr. Pankaj V. Shah is B.com and has immense experience in business and marketing. He was appointed as Additional Director by Board of Director at its meeting held on 1st October, 2011.

Under section 261 of the Companies Act, 1956, Mr. Pankaj V. Shah ceases to hold office at this Annual General Meeting and is eligible for appointment. The Notice under section 257 of the Companies Act, 1956 has been received from a members signifying his intention to propose his appointment as a Director. The Board of Directors feels that his experience and knowledge would be benefit and value to the Company and therefore his appointment is recommended .

Apart from Mr. Pankaj V. Shah, no other director is interested or concerned in this item of the business.

For and on behalf of the board of Directors

Sd/-

Vinod T. Shah
Managing Director

Date : 31st August, 2012

Regd. Office:

Office No. 8, First Floor
Sitaram Niwas, 1st Bhatwadi,
J.S.S. Road, Opera House
Mumbai - 400 004



SHEETAL DIAMONDS LIMITED

Details in respect of the Directors, seeking re-appointments / appointment required to be provided pursuant to Clause 49 of the Listing Agreement are also annexed hereto

Sr. No.	Particulars	
1)	Name of the Director	Mr. Niranjana P. Vyas
2)	Date of Birth	16.09.1950
3)	Date of Appointment	18.01.2001
4)	Expertise in specific areas	Business & Marketing
5)	Qualifications	S.S.C.
6)	Number of Shares held in Sheetal Diamonds	Nil
7)	Directorship in other Companies	Nil
8)	Membership of Committees in other Public Limited Companies:	Nil

Sr. No.	Particulars	
1)	Name of the Director	Mr. Pankaj V. Shah
2)	Date of Birth	12.08.1964
3)	Date of Appointment	01.10.2011
4)	Expertise in specific areas	Business & Marketing
5)	Qualifications	S.Y.B.com
6)	Number of Shares held in Sheetal Diamonds	Nil
7)	Directorship in other Companies	Nil
8)	Membership of Committees in other Public Limited Companies:	Nil



SHEETAL DIAMONDS LIMITED

DIRECTORS' REPORT

To,

The Members,

Your Director has pleasure in presenting the 18th Annual Report and the audited statement of accounts for the year ended 31st March, 2012

FINANCIAL RESULTS	Amount in Rs.	
	Year ended 31.3.2012	Year ended 31.3.2011
Sales & Other Income	1,37,61,910	69,64,055
Total Expenditure	1,36,05,763	69,27,703
Profit / (Loss) before Taxation	1,56,147	36,353
Provision for Taxation	54,000	9,500
Prior Period Expenses	--	8194
Profit / (Loss) after taxation	1,02,147	18,659
APPROPRIATIONS:		
Interim Dividend	--	--
Proposed Dividend	--	--
Balance carried to Balance Sheet	1,02,147	18,659

DIVIDEND:

In view of strengthening the reserves of the Company, your Directors regret their inability to recommend any dividend during the year under review.

OPERATION:

During the year under review, your company's sales were Rs. 127.38 Lacs compared to Rs. 69.64 Lacs in the previous year.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. Niranjana P. Vyas is liable to retire by rotation and being eligible offers himself for re-appointment. Further during the year, Mr. Ajay M. Parekh, resigned from the Board of Director with effect from 11th November, 2011.

Mr. Pankaj V. Shah is S.Y.B.com and has immense experience in business and marketing. He was appointed as Additional Director by Board of Director at its meeting held on 1st October, 2011. Under section 261 of the Companies Act, 1956, Mr. Pankaj V. Shah ceases to hold office at this Annual General Meeting and is eligible for appointment. The Notice under section 257 of the Companies Act, 1956 has been received from a members signifying his intention to propose his appointment as a Director. The Board of Directors feels that his experience and knowledge would be benefit and value to the Company and therefore his appointment is recommended.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT :

The report on Corporate Governance including Management Discussion and Analysis as stipulated under Clause 49 of the Listing Agreement with Stock Exchange, forms part of the Annual Report is annexed.



SHEETAL DIAMONDS LIMITED

A certificate of the auditors of the Company, Hardik H. Shah & Associates., Chartered Accountants, confirming compliance of the conditions of corporate governance as stipulated in Clause 49 is annexed.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures:
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review:
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- (iv) That the Directors had prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

FIXED DEPOSITS:

Your company has not accepted any fixed deposits from public.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO

The information necessary for disclosure of particulars with Research and Development as required 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the report of Board) Rules, 1988 are not applicable.

Foreign Exchange earned : Rs. 3,51,047/- (Previous year. Rs. 8,66,340/-)

Foreign Exchange used : Rs. 1,87,057/- (Previous year. NIL)

PERSONNEL:

The relationship with the employees has been cordial. Your Director wish to place on record their appreciation for the devoted services rendered by the employees. There are no employees drawing remuneration exceeding the ceiling prescribed under section 217(2A) of the Companies Act, 1956.

AUDITORS:

The existing Auditor M/s M/s Hardik H. Shah & Associates. Chartered Accountants, retires at the conclusion of ensuing Annual General Meeting and have expressed their willingness to continue as Statutory Auditor of the Company for the financial year 2012-13. The relevant certificate to that effect that their appointment, if made, will be in pursuant to section 224(1B) of the Companies Act, 1956 has been received. The resolution for their re-appointment is being submitted to this Annual General Meeting.

ACKNOWLEDGMENT:

Your Directors wish to thanks Company's Bankers for the co-operation extended to us.

For and on behalf of the board of Directors

Sd/-

Vinod T. Shah
Managing Director

Place : Mumbai
Date : 31st August, 2012



SHEETAL DIAMONDS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2012

Pursuant to Clause 49 of the Listing Agreement a Report on Management Discussion and Analysis is given below:

a) Industry Structure & Development and Challenges:

The trade of designer jewellery in retail is on increasing trend all over the world. Jewellery is one commodity of saving as well as exhibition of wealth for the Indian ladies. The company is in the line of online trading of designer jewellery. The demand of the same is substantial increased in the recent years. The management expect the business growth in every year.

b) Outlook, Opportunities, Threats and Risks:

The industry is showing healthy signs of growth. As per capital income in India is substantial increased, the demand of jewellery amongst the young generation is also on rise. This will help the company in developing business opportunities. The management dose not see any risk or threat as raw material is valuable commodities. The company also planning to expand the horizon of business by investing substantial fund out of internal accrual.

c) Segment-wise Performance :

The company has currently one major activities of online trading of designer Gold & Diamond jewellery. However, to hedge the gold price the company also buys.

d) Internal Control System & Their Adequacy

The company has adequate internal control system commensurate with the size. The committee reviews the implementation of management policies to ensure that transaction has been accurately recorded and promptly reported.

e) Human Resources & Industrial Relation:

The company considers human resources as one of the vital and important factors for sustained growth. The human resources strategy is to attract talent in the industry, develop and upgrade their skill and competence on the job and ensure employee satisfaction through reward, appreciation and development of environment based on culture and values nurtured by the Group over the years.

f) Trading Status On the stock exchange:

The company's equity shares are Listed and traded on Bombay Stock Exchange Limited.

g) Whistle Blower Policy:

The company dose not have any Whistle Blower policy as of now but no personnel are being denied any access to the audit committee.

h) Cautionary Statement:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation or predication may be "forward-looking" statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

For and on behalf of the board of Directors

Sd/-

Vinod T. Shah
Managing Director

Place : Mumbai

Date : 31st August, 2012



SHEETAL DIAMONDS LIMITED

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

Sheetal Diamonds Limited marks its Corporate Governance with the prevalent practices and it conforms the mandatory requirements.

BOARD OF DIRECTORS:

The Board of Directors comprises of One Executive Directors and Two Non-executive Directors.

During the financial year 1st April, 2011 to 31st March, 2012, 7(Seven) Board Meetings were held on 12th May 2011, 01st July 2011, 30th July 2011, 01st October 2011, 11th November 2011, 14th November 2011, 14th February 2012.

The Composition of the Board of Directors and their attendance at the meetings during the year and at the last Annual General Meeting as also number of the other Directorship / Membership of Committees are as follows:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance of last AGM	No. of Other Directorship	Committee Membership	
					Member	Chairman
Mr. Vinod T. Shah	MD	7	YES	NIL	NIL	NIL
Mr. Niranjan P Vyas	IND - NED	7	YES	NIL	NIL	NIL
Mr. Ajay M. Parekh	IND – NED	4	N A	NIL	NIL	NIL
Mr. Pankaj V. Shah	IND – NED	3	N A	NIL	NIL	NIL

MD – Managing Director

IND – Independent

NED – Non-Executive Director ED – Executive Director

Board's Functioning & Procedure

The Company holds a minimum of four Board Meetings in a year, one each per quarter. Additional Board Meetings are convened as and when necessary to address the specific needs of the Company. The Board also approves urgent matters by passing resolutions by circulations. The Meetings of the Board are held at the Company's registered office or at a hall in South Mumbai depending on the circumstances.

Agenda papers are circulated to the directors in advance and all material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the Meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting. In special and exceptional circumstances, additional or supplementary items on Agenda are permitted.

The information as required under Annexure I to Clause 49 of the Listing Agreement is made available to the Board in every meeting.

Audit Committee:

The Audit Committee met 5 times in the financial year on 12th May 2011, 01st July 2011, 30th July 2011, 11th November 2011, 14th February 2012. where all the members of the Committee, Executive Director and the Statutory Auditors were present. Meetings reviewed the Annual Accounts, half-yearly results and quarterly results and approved the same. The audit Committee oversees the general accounting practices and other management policies.

Mr. Vinod T. Shah	Managing Director
Mr. Niranjan P. Vyas	Independent – Non Executive Director
Mr. Ajay M. Parekh	Independent – Non Executive Director
Mr. Pankaj V. Shah	Independent – Non Executive Director

Details of attendance at the meetings of Audit Committee:

Name of the members	No. of meetings held	No. of meetings attended
Mr. Vinod T. Shah	5	5
Mr. Niranjan P. Vyas	5	5
Mr. Ajay M. Parekh	3	3
Mr. Pankaj V. Shah	2	2

Terms of Reference

The role and terms of reference of this Committee are wide enough to cover the matters specified for the Audit Committee under Clause 49 of the listing agreement as well as in Section 292 A of the Companies Act, 1956 and are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To review with Management the financial statements at the end of a quarter, half year and the annual financial statements before submission to the Board for approval, focusing particularly on:
 - matters required to be included in the Director's Responsibility Statement which form part of the Board's reporting in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions; and
 - qualifications in the draft audit report



SHEETAL DIAMONDS LIMITED

- c) to consider the appointment or re-appointment of the statutory auditors, the audit fee, any questions of resignation or dismissal and payment to statutory auditors for any other services rendered by them;
- d) to discuss with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern (in absence of management, wherever necessary);
- e) reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems and discuss the same periodically with the statutory auditors, prior to the Board making its statement thereon;
- f) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- g) discussion with internal auditors on any significant findings and follow up thereon.
- h) reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- i) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- j) to review the functioning of the Whistle Blower Mechanism, in case the same is existing;
- k) to review the external auditors' audit reports and presentations and management's response thereto;
- l) to ensure co-ordination between the internal and external auditors, and to request internal audit to undertake specific audit projects, having informed management of their intentions;
- m) to consider any material breaches or exposure to breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
- n) to review policies and procedures with respect to directors' and officers' expense accounts, including their use of corporate assets, and consider the results of any review of these areas by the internal auditors or the external auditors;
- o) to consider other topics, as defined by the Board;
- p) to review the following information :
 - i) Management discussion and analysis of financial condition and results of operations;
 - ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - iii) Management letter/letters of internal control weaknesses issued by the statutory auditors;
 - iv) Internal audit reports relating control weaknesses; and
 - v) The appointment, removal and terms of remuneration of the Internal Auditor.

Details of Sitting fees paid during the year

Name	Amount
Mr. Niranjana P. Vyas	3000
Mr. Ajay M. Parekh	3000
Mr. Pankaj V. Shah	1000

Share Transfer Committee/Investor Grievance Committee:

The Board has constituted the Share Transfer Committee, with the one Executive Directors as members to consider and approve Transfers of shares in the physical form and allied matters. The Shareholder/Investor Grievance Committee has been constituted under the Chairmanship of Mr. Vinod T. Shah with Mr. Niranjana P. Vyas and Mr. Ajay M. Parekh till date.

Mr. Vinod T. Shah	Chairman and Managing Director
Mr. Niranjana P. Vyas	Independent – Non Executive Director
Mr. Ajay M. Parekh	Independent – Non Executive Director
Mr. Pankaj V. Shah	Independent – Non Executive Director

Details of attendance at the meetings of Investor Grievance Committee:

Name of the members	No. of meetings held	No. of meetings attended
Mr. Vinod T. Shah	5	5
Mr. Niranjana P. Vyas	5	5
Mr. Ajay M. Parekh	3	3
Mr. Pankaj V. Shah	2	2

Name and Designation of Compliance Officer:

Mr. Vinod T. Shah - Managing Director



SHEETAL DIAMONDS LIMITED

GENERAL BODY MEETINGS:

Financial Year	Date	Location of the Meeting
1 st April, 2008 to 31 st March, 2009	30.08.2009	Office No. 8, First Floor, Sitaram Niwas, 1 st Bhatwadi, J.S.S. Road, Opera House, Mumbai-400 004
1 st April, 2009 to 31 st March, 2010	30.09.2010	Office No. 8, First Floor, Sitaram Niwas, 1 st Bhatwadi, J.S.S. Road, Opera House, Mumbai-400 004
1 st April, 2010 to 31 st March, 2011	18.08.2011	Office No. 8, First Floor, Sitaram Niwas, 1 st Bhatwadi, J.S.S. Road, Opera House, Mumbai-400 004

DISCLOSURES:

There are no materially significant related party transactions. There are other related party commercial transactions, which are reported in the accounting part of this report.

MEANS OF COMMUNICATION:

Quarterly, half – yearly and annual results have been communicated to Bombay Stock Exchange Limited where the shares of the Company's is listed. Annual Reports are dispatched to all the shareholders. No presentation to institutional investors or analysts was made during the year. Management discussion and Analysis is part of the Annual Report.

SHAREHOLDER INFORMATION:

- | | |
|--|---|
| I) Annual General Meeting :
Day, Date, Time and Venue | Friday, 28th September, 2012 at 10.00 A. M.
Office No. 8, First Floor, Sitaram Niwas, 1 st Bhatwadi, J.S.S. Road, Opera House, Mumbai – 400 004 |
| II) Financial Year : 2011-2012 | |
| First Quarter Results | : 30 th July, 2011 |
| Second Quarter/Half Yearly Results | : 14 th November, 2011 |
| Third Quarter Results | : 14 th February, 2012 |
| III) Date of Book Closure | : 25.09.2012 to 28.09.2012
both days inclusive |
| IV) Listing in Stock Exchanges | Bombay Stock Exchange Limited |
| V) Stock Code | 530525 |
| VI) Demat ISIN numbers in NSDL & CDSL – INE786J01017 for equity shares : | |
| VII) Stock Price Performance at Bombay Stock Exchange Ltd., Mumbai: | |

The monthly High, Low stock prices during the financial year 2011-2012 are as follows :-

Month	Bombay Stock Exchange	
	High	Low
April, 2011	16.06	10.65
May, 2011	10.95	8.78
June, 2011	10.89	9.55
July, 2011	11.55	9.80
August, 2011	15.41	10.00
September, 2011	22.50	16.15
October, 2011	18.25	16.75
November, 2011	17.75	11.35
December, 2011	16.70	9.38
January, 2012	9.00	4.14
February, 2012	6.10	4.51
March, 2012	5.57	3.74

Source Data has been taken from the Website of the Bombay Stock Exchange. The company does not have any other sources for verification of data.

- VIII) Share Transfer Systems: The company has appointed M/s. Purva Sharegistry India P. Ltd, Share Registrar & Transfer Agent, 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E) Mumbai-400 011, Transfers of physical shares are effected In house after approval by the Share Transfer Committee.

- IX). Distributions of Share Holdings as on 31-03-2012

Categories of Shareholders as on March 31, 2012

Category	No. of Shares held	% of Shareholding
Promoters	8,44,000	16.88
Banks Financial Institutions, MFs	31,600	00.63
Others	41,24,400	82.49



SHEETAL DIAMONDS LIMITED

X) Dematerialization of Shares - The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31.03.2012, a total of 40,28,500 equity shares of the Company, forming 80.57% of the share capital of the Company, stand dematerialized (NSDL -28,99,165 CDSL -11,29,335).

XI) Outstanding GDR/ADR/warrants - NIL

XII) The Company has no Plants.

XIII) Address of Correspondence:

Shareholder Correspondence in relation to Transfer of Shares queries should be addressed to:

Office No. 8, First Floor, Sitaram Niwas, 1st Bhatwadi, J.S.S. Road, Opera House, Mumbai – 400 004.

XIV) Compliance Certificate from Auditors of the Company – published elsewhere in this report.

XV) Compliance with other mandatory requirements.

1. Management Discussion and Analysis

Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(iv)(F) of the Listing Agreement is attached.

2. Disclosures

2.1 Related party Transactions

The details of all transactions with related parties are placed before the audit committee.

2.2 Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

3. Code of Conduct

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All board members have affirmed their compliance with code. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.

4. CEO/CFO certification

A Certificate from Managing Director on the financial statements of the Company was placed before the Board.

5. Review of Directors' Responsibility statement

The Board in its report have confirmed that the annual accounts for the year ended 31st March, 2012 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

NON-MANDATORY REQUIREMENTS

a) Any qualification in Auditors Report	NIL
b) Remuneration Committee	Remuneration Committee has been not been constituted.
c) Shareholder Rights The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders	The Company's Quarterly results are published in English and Marathi newspapers having wide circulation. In view of the above, the half yearly declaration of financial performance including summary of the significant events in the last six months are not sent. The audited Results for the financial year are communicated to the Shareholders through the Annual Report.

The Board would review implementation of non-mandatory requirements of Corporate Governance code regarding Tenure of independent directors on the board, Training of Board Members, Mechanism for evaluating non-executive board members and Whistle Blower Policy at appropriate time.

Declaration on compliance with code of conduct

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the web site of the Company.

It is hereby affirmed that all the Directors and Senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

For and on behalf of the board of Directors

Sd/-

Place : Mumbai
Date : 31st August, 2012

Vinod T. Shah
Managing Director



SHEETAL DIAMONDS LIMITED

AUDITORS CERTIFICATE

To,
The Members,
Sheetal Diamonds Limited

We have examined the compliance conditions of Corporate Governance by *Sheetal Diamonds Limited*, for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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 as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Notes issued by the Institute of Chartered Accountants of India, we have to state that based on the report by the Registrar of Company to the Investor Grievance Committee as on 31st March, 2012, there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which management has conducted the affairs of the Company.

For **Hardik H Shah & Associates**
Chartered Accountants
(Firm Registration No. 131390W)

Sd/-

CA Hardik H Shah
Proprietor
Membership No. 137026

Place : Mumbai
Date : 31st August, 2012



SHEETAL DIAMONDS LIMITED

Auditors' Report

To the Members of
Sheetal Diamonds Limited

1. We have audited the attached Balance Sheet of **Sheetal Diamonds Limited** ('the Company') as at March 31, 2012, the Statement of Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, ('the said Order'/'CARO') issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub - section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Hardik H Shah & Associates**
Chartered Accountants
(Firm Registration No. 131390W)

Sd/-

CA Hardik H Shah
Proprietor
Membership No. 137026

Place : Mumbai
Date : 31st August, 2012



SHEETAL DIAMONDS LIMITED

Annexure to Auditors' Report

(Referred to in Paragraph 3 of our report of even date)

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - 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) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. The company has not taken/granted unsecured loans, to/from companies, firms or other parties listed in the registrar maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (iii) (b) to (d) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to information and explanations given to us, we are of the opinion that there are no transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly provisions of clause 4 (v) (b) of the Order are not applicable.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Section 58A & 58AA of the Companies Act, 1956 and Rules framed there under are not applicable.
7. In our opinion, the Company does not have internal audit system commensurate with the size and nature of its business, but as per information and explanation given by the management there is an adequate internal control system.
8. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of the services rendered by the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
9. According to the information and explanations given to us in respect of statutory dues:
 - a) According to the information and explanations given to us, Company is not having any employee on whom statutory liability including Provident Fund, E.S.I.C. is applicable. Other undisputed statutory dues in respect of custom duty, excise duty, sales tax, service tax, withholding taxes, cess as applicable and any other statutory dues have been regularly deposited with the appropriate authorities. There are no arrears of Statutory Dues as on 31st March, 2012.
 - b) As per information given to us the Income Tax demand for A.Y. 1996-97, 1997-98 & 1998-99 along with the interest and penalty have been fully deleted by the Honorable ITAT as per the order dated 23.03.2011 & 04.05.2011. The appeal for penalty of Rs. 13,69,656/- for A.Y. 2001-02 is pending before ITAT.



SHEETAL DIAMONDS LIMITED

10. The clause of accumulated losses etc is not applicable to company.
11. Since no loan has been obtained from any bank by company this clause is not applicable.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company is not in dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of paragraph 4 (xv) of the said Order are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the Company has not taken any Term loans.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issue any Debenture during the year.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **Hardik H Shah & Associates**
Chartered Accountants
(Firm Registration No. 131390W)

Sd/-

CA Hardik H Shah
Proprietor
Membership No. 137026

Place : Mumbai
Date : **31st August, 2012**



SHEETAL DIAMONDS LIMITED

Balance Sheet as at 31 March, 2012

Particulars		Note No.	As at 31 March, 2012	As at 31 March, 2011
			Amount	Amount
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	50,000,000	50,000,000
	(b) Reserves and surplus	4	11,527,183	11,425,037
2	Current liabilities			
	(a) Trade payables	5	118,542	1,926,857
	(b) Short Term Loans & Advances	6	3,000,000	-
	(c) Other current liabilities	7	54,000	48,581
	TOTAL		64,699,725	63,400,475
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	8	36,281	71,991
	(b) Non-current investments	9	40,705,000	40,705,000
	(c) Long Term Loans & Advances	10	18,535,476	14,570,000
	(d) Other Non-Current Assets	11	246,183	273,535
2	Current assets			
	(a) Inventories	12	1,560,323	139,825
	(b) Trade receivables	13	101,000	7,597,849
	(c) Cash and cash equivalents	14	3,413,117	42,274
	(d) Short Term Loans & Advances	15	102,345	-
	TOTAL		64,699,725	63,400,475
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For Hardik H Shah & Associates

Chartered Accountants

FRN : 131390W

CA Hardik H Shah

Proprietor

Membership No.: 137026

Place : Mumbai

Date : 31st August, 2012

For and on behalf of the Board of Directors

Managing Director

Director

Place : Mumbai

Date : 31st August, 2012



SHEETAL DIAMONDS LIMITED

Statement of Profit and Loss for the year ended 31 March, 2012

Particulars		Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
			Amount	Amount
A	CONTINUING OPERATIONS			
1	Revenue from operations	16	12,738,450	6,964,055
2	Other income	17	1,023,460	-
3	Total revenue (1+2)		13,761,910	6,964,055
4	Expenses			
	(a) Cost of materials consumed	18	13,471,925	4,568,619
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	-1,420,498	1,309,943
	(c) Employee benefits expense	20	112,300	124,821
	(d) Finance costs	21	9,416	6,509
	(e) Depreciation and amortisation expense	8	8,099	7,419
	(f) Other expenses	22	1,424,521	910,391
	Total expenses		13,605,763	6,927,703
5	Profit before tax		156,147	36,353
6	Tax expense:			
	(a) Current tax expense for current year		54,000	9,500
	(c) Current tax expense relating to prior years		-	8,194
	(d) Net current tax expense		54,000	17,694
7	Profit for the Year		102,147	18,659
	Earning Per Share on Equity Shares of Rs 10 each			
	Basic		0.02	0.00

In terms of our report attached.

For Hardik H Shah & Associates

Chartered Accountants

FRN: 131390W

For and on behalf of the Board of Directors

CA Hardik H Shah

Proprietor

Membership No.: 137026

Managing Director

Director

Place : Mumbai

Date : 31st August, 2012

Place : Mumbai

Date : 31st August, 2012



SHEETAL DIAMONDS LIMITED

Notes to the financial statements for the year ended March 31, 2012

1 CORPORATE INFORMATION

SHEETAL DIAMONDS LIMITED ("the company") is engaged in the trading of Loose Diamonds & Jewellery.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) and provisions of the Companies Act 1956, read with the Companies (Accounting Standard) Rules, 2006 (Accounting Standard Rules) as well as applicable pronouncements of the Institute of Chartered Accountant of India.

b) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Revenue recognition

- a) Sales are recorded net of trade discounts, sales tax/ value added tax, rebates and excise duty. Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.
- b) Interest income is recognised on time proportion basis.

d) Inventories:

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on FIFO basis.

e) Investments

Investments are classified into non current investments and current investments. Investments which are intended to be held for more than one year are classified as non current investments and investments which are intended to be held for less than one year, are classified as current investments. Non current investments are stated at cost and a provision for diminution in value of non current investments is made only if the decline is other than temporary in the opinion of the management. Current investments are valued at cost or market/fair value whichever is lower.

f) Provisions, Contingent Liabilities and Contingent Asset

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

g) Fixed assets and depreciation

- i. Fixed assets are stated at cost of acquisition and installation less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.
- ii. Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956
- iii. Expenses incurred on Project and other charges during construction period are included under pre-operative expenditure (grouped under Capital Work in Progress) and are allocated to the cost of Fixed Assets on the commencement of commercial operations.



SHEETAL DIAMONDS LIMITED

h) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such condition exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating units to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account.

If at the Balance Sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at revised recoverable amount.

i) Foreign currency transactions

- a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.
- b) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.
- c) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
- d) Non monetary items denominated in foreign currencies are carried at cost.

j) Taxation

a. Current Tax:

Provision for tax is based on the taxable profit for the accounting year after taking into consideration the relevant provisions of the Income Tax Act, 1961.

b. Deferred Tax:

Deferred tax resulting from timing difference between accounting and taxable income is accounted for using the tax rates and laws that are enacted or substantively enacted on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent there is a virtual certainty that the asset will be realised in future.

k) Borrowing Cost:

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalized with the fixed assets.

l) Earnings per share

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

m) Cash and cash equivalent

Cash and cash equivalent for the purpose of cash flow statement comprised cash at bank and cash in hand and other short term investment with maturity of three months or less.



SHEETAL DIAMONDS LIMITED

Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Equity shares of Rs. 10 each with voting rights	6,000,000	60,000,000	6,000,000	60,000,000
(b) Issued Equity shares of Rs. 10 each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
(c) Subscribed and fully paid up Equity shares of Rs. 10 each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
Total	5,000,000	50,000,000	5,000,000	50,000,000

Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	11,425,037	11,406,378
Add: Current Year's Profit	102,147	18,659
Total	11,527,183	11,425,037

Note 5 Trade payables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Trade payables:		
Acceptances	118,542	1,926,857
Other than Acceptances		
Total	118,542	1,926,857

Note 6 Short Term Loans & Advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Short Term Loans & Advances		
Considered Good & Unsecured	3,000,000	-
Total	3,000,000	-

Note 7 Other current liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Statutory Dues	54,000.00	48,581.00
Total	54,000.00	48,581.00

Note 8 : Fixed Assets

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
(A) Tangible assets										
Furniture and Fixtures	5,990	-	-	5,990	5,533	457	-	5,990	-	457
Vehicles	475,562	-	475,562	-	438,913	1,237	440,150	-	-	36,649
Computer Systems	35,350	7,800	-	43,150	465	6,404	-	6,869	36,281	34,885
Total	516,902	7,800	475,562	49,140	444,911	8,098	440,150	12,859	36,281	71,991
Previous year	481,552	35,350	-	516,902	437,492	7,419	-	444,911	71,991	



SHEETAL DIAMONDS LIMITED

Notes forming part of the financial statements Note 9 Non-current investments

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Investments at cost	40,705,000	40,705,000
Total	40,705,000	40,705,000

Note 10 Long-term loans and advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Secured & Considered Good	18,535,476	14,570,000
Total	18,535,476	14,570,000

Note 11 Other Non Current Assets

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Preliminary Expenses (to the extent not written off)	246,183	273,535
Total	246,183	273,535

Notes forming part of the financial statements Note 12 Inventories (At lower of cost and net realisable value)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Finished Goods	1,560,323	139,825
Total	1,560,323	139,825

Note 13 Trade receivables

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Trade Receivables		
Outstanding for more than six months		
Others	101,000	7,597,849
Total	101,000	7,597,849

Note 14 Cash and cash equivalents

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Cash in Hand	134,770	30,893
Balance with Bank	219,045	11,380
FD With Banks	3,059,301	-
Total	3,413,117	42,274

Note 15 Other Short Term Loans & Advances

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Advance Tax & Tax Deducted at Sources	102,345	-
Total	102,345	-

Notes forming part of the financial statements

Note 16 Revenue from operations

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount	Amount
(a) Sale of products	12,738,450	6,964,055
Total	12,738,450	6,964,055

Note 17 Other income

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount	Amount
(a) Interest income (Refer Note (i) below)	1,023,452	-
(b) Other non-operating income	8	-
Total	1,023,460	-

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount	Amount
Interest from banks on Bank Deposits	140,854	-
Interest on loans and advances	882,598	-
Total - Interest income	1,023,452	-



SHEETAL DIAMONDS LIMITED

Note 18 Cost of materials consumed

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount	Amount
Opening stock	-	-
Add: Purchases of Materials	13,471,925	4,568,619
Less: Closing stock	-	-
Cost of material consumed	13,471,925	4,568,619

Note 19 Changes in inventories of finished goods

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount	Amount
<u>Inventories at the end of the year:</u>		
Finished goods	1,560,323	139,825
	1,560,323	139,825
<u>Inventories at the beginning of the year:</u>		
Finished goods	139,825	1,449,768
	139,825	1,449,768
Net (increase) / decrease	-1,420,498	1,309,943

Notes forming part of the financial statements

Note 20 Employee benefits expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount	Amount
Salaries and wages	112,300	124,821
Total	112,300	124,821

Note 21 Finance Cost

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount	Amount
Bank Charges	9,416	6,509
Total	9,416	6,509

Note 22 Other expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount	Amount
India Times Expenses	89,549	12,500
Rediff Expenses	73,644	28,303
India Mart Lisiting Fees	29,175	16,000
Power and fuel	16,010	14,285
Rent including lease rentals	128,268	98,268
Communication	22,268	869
Travelling and conveyance	10,295	10,190
Printing and stationery	7,722	19,296
Foreign Travell Expenses	323,919	-
Legal and professional	131,075	98,964
Payments to auditors	30,000	10,000
Net loss on foreign currency transactions and translation	284,292	11,812
Fees related to Listed shares	74,834	439,785
Director Sitting Fees & Remuneration	17,000	12,500
Loss on fixed assets sold / scrapped / written off	30,412	-
Miscellaneous expenses	156,058	137,620
Total	1,424,521	910,391

Note 23: Contingent Liabilities and Commitments

All Known Liabilities are provided for in the accounts excepts liabilities of Contingent nature which have been adequately disclosed in accounts

Note 24: Foreign currency transaction:

Income in foreign currency:

Particulars	March 31, 2012	March 31, 2011
Export of Goods	351,047	866,340
Total	351,047	866,340

Note 25: Segment Information for the year ended March 31, 2012

As the Company is engaged only in one business segment i.e. Trading of Loose Diamonds & Jewellery goods and there are no geographical segments, the Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended March 31, 2012 pertain to one business segment and related activities as per Accounting standard(AS) 17 on "Segment Reporting".



SHEETAL DIAMONDS LIMITED

Note 26: Auditors Remuneration

Particulars	March 31, 2012	March 31, 2011
Audit Fees	20,000	10,000
Total	20,000	10,000

Note 27: Related party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

Note 27.1: Relationships during the year

Sr No	Name of the Related Party	Relationship
1	Vinod T Shah (Managing Director)	Key Management Personnel
2	Niranjan P Vyas	
3	Ajay M Parekh	
4	Pankaj V Shah	

Note 27.2: Related party transactions

Transactions with related parties during the year :

Previous Year's Figures are given in brackets

Sr No	Particulars	2011 – 2012	
		Key Manaerial Personnel	Significant Influence is excercised by KMP
1	MD Remuneration		
2	Vinod T Shah	10,000	
	Director's Sitting Fees		
	Niranjan P Vyas	3,000	
	Ajay M Parekh	3,000	
	Pankaj V Shah	1,000	

Note 28: Earnings per share

Particulars	March 31, 2012	March 31, 2011
Net profit after tax as per statement of profit and loss	102,147	18,659
Weighted average number of equity shares outstanding during the year	5,000,000	5,000,000
Nominal value per equity share	10	10
Basic and diluted earnings per share	0.02	0.00

Note 29: Imported and Indigenous Raw Material Consumption:

Particulars	March 31, 2012		March 31, 2011	
Raw Materials and Components	In Rs.	%	In Rs.	%
Imported	3,506,711	26.03	-	0.00
Indegenious	9,965,214	73.97	4,568,619	100.00

Note 30: Additional Information as required under Part IV of Schedule VI to the companies act, 1956

1. Installed Capacity

Polished Diamonds

Installed
NIL

Production
NIL

2. Particulars of goods traded

Particulars	March 31, 2012		March 31, 2011	
	Cts/Gms	Amount	Cts/Gms	Amount
Diamonds (Cts)				
Opening Stock	11.26	99,804.55	33.93	522,509.37
Purchases	1,228.61	13,094,049.60	480.95	4,568,619.37
Sales	1,060.20	11,648,082.15	503.62	4,991,324.19
Closing Stock	179.67	1,545,772.00	11.26	99,804.55
Gold (Gms)				
Opening Stock	1,275.28	40,020.66	28,651.94	899,133.54
Purchases	903.24	363,250.00	-	-
Sales	2,144.66	388,719.69	27,376.66	859,112.88
Closing Stock	33.86	14,550.97	1,275.28	40,020.66

3. Raw Material Consumed

Polished Diamonds

2011-12
NIL

2010-11
NIL

4. Value of Imports

On CIF Basis

2011-12
3,506,711

2010-11
NIL

5. Expenditure in Foreign Currency

Expenses

2011-12
187,057

2010-11
NIL

6. Remuneration to Managing Director

MD Remuneration

2011-12
10,000

2010-11
NIL



SHEETAL DIAMONDS LIMITED

Note 31: Balances of Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances are subjected to reconciliation and confirmation, necessary adjustment if required, will be made after reconciliation. The management does not expect any material difference affecting the current year's financial statements.

Note 32: In the opinion of the Board and to the best of their knowledge and belief all the Current Assets, Loans and Advances have value on realisation at least of an amount at which they are stated in Balance Sheet.

Note 33: Liability In respect of gratuity and leave encashment are accounted on cash basis which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India, which requires that gratuity and Leave Encashment Liabilities be accounted for on actuarial basis.

Note 34: The Amount due to Small Scale Industries is NIL as on 31st March, 2012 and hence disclosure requirements in this regard as per schedule VI of the Companies Act, 1956 is not being provided.

Note 35: Previous Year figures

Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.

As per our report of even date

For Hardik H Shah & Associates

Chartered Accountants

Firm registration No. 131390W

CA. Hardik H Shah

Proprietor

Membership No.: 137026

Place : Mumbai

Date : 31st August, 2012

For and on behalf of the Board of Directors

Managing Director

Director



SHEETAL DIAMONDS LIMITED

The Companies Act (1 of 1956)

S C H E D U L E VI - P A R T IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFIEL

I. Registration Details :

Registration No.

0	8	3	9	4	5
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 State Code

1	1
---	---

 (Refer Code List)

Balance Sheet Date

3	1
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0	3
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2	0	1	2
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Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands).

<p style="text-align: center;">Public Issue</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr> </table> <p style="text-align: center;">Bonus Issue</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr> </table>								N	I	L								N	I	L	<p style="text-align: center;">Rights Issue</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr> </table> <p style="text-align: center;">Private Placement</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr> </table>								N	I	L								N	I	L
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III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

<p style="text-align: center;">Total Liabilities</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td>6</td><td>4</td><td>5</td><td>2</td><td>7</td><td>.</td><td>1</td><td>8</td><td>4</td></tr> </table> <p style="text-align: center;">Sources of Funds</p> <p style="text-align: center;">Paid-up Capital</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td></td><td>5</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> </table> <p style="text-align: center;">Secured Loans</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr> </table> <p style="text-align: center;">Application of Funds</p> <p style="text-align: center;">Net Fixed Assets</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td>3</td><td>6</td><td>.</td><td>2</td><td>8</td><td>1</td></tr> </table> <p style="text-align: center;">Net Current Assets</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td>2</td><td>0</td><td>4</td><td>8</td><td>0</td><td>.</td><td>4</td><td>1</td><td>9</td></tr> </table> <p style="text-align: center;">Accumulated Losses</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr> </table>		6	4	5	2	7	.	1	8	4						5	0	0	0	0								N	I	L					3	6	.	2	8	1		2	0	4	8	0	.	4	1	9								N	I	L	<p style="text-align: center;">Total Assets</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td>6</td><td>4</td><td>5</td><td>2</td><td>7</td><td>.</td><td>1</td><td>8</td><td>4</td></tr> </table> <p style="text-align: center;">Reserves & Surplus</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td>1</td><td>1</td><td>5</td><td>2</td><td>7</td><td>.</td><td>1</td><td>8</td><td>4</td></tr> </table> <p style="text-align: center;">Unsecured Loans</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td>3</td><td>0</td><td>0</td><td>0</td></tr> </table> <p style="text-align: center;">Investment</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td>4</td><td>3</td><td>7</td><td>6</td><td>4</td><td>.</td><td>3</td><td>0</td><td>1</td></tr> </table> <p style="text-align: center;">Misc. Expenditure</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td>2</td><td>4</td><td>6</td><td>.</td><td>1</td><td>8</td><td>3</td></tr> </table>		6	4	5	2	7	.	1	8	4		1	1	5	2	7	.	1	8	4							3	0	0	0		4	3	7	6	4	.	3	0	1				2	4	6	.	1	8	3
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IV. Performance of Company (Amount in Rs. Thousands).

<p style="text-align: center;">Turnover</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td>1</td><td>3</td><td>7</td><td>6</td><td>1</td><td>.</td><td>9</td><td>1</td><td>0</td></tr> </table> <p style="text-align: center;">+ - Profit/Loss Before Tax</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td>1</td><td>5</td><td>6</td><td>.</td><td>1</td><td>4</td><td>7</td></tr> </table> <p style="text-align: center;">Earning per share in Rs.</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td></td><td>0</td><td>.</td><td>0</td><td>2</td></tr> </table>		1	3	7	6	1	.	9	1	0					1	5	6	.	1	4	7						0	.	0	2	<p style="text-align: center;">Total Expenditure</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td>1</td><td>3</td><td>6</td><td>0</td><td>5</td><td>.</td><td>7</td><td>9</td><td>3</td></tr> </table> <p style="text-align: center;">+ - Profit/Loss After Tax</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td></td><td>1</td><td>0</td><td>2</td><td>.</td><td>1</td><td>4</td><td>7</td></tr> </table> <p style="text-align: center;">Dividend @ %</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td></td><td></td><td></td><td>0</td></tr> </table>		1	3	6	0	5	.	7	9	3					1	0	2	.	1	4	7				0
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(Please tick Appropriate box + for Profit - for Loss)

V. Generic Names of Three Principal Products/Service of Company (as per monetary terms)

Item Code No. (ITC Code)

7	1	-	0	2	3	9	.	0	1
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Product Description

CUT & POLISHED DIAMONDS									
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SHEETAL DIAMONDS LIMITED

Auditors' Report

To,
The Board of Directors
Sheetal Diamonds Limited
Mumbai

We have examined the above cash flow statement of **SHEETAL DIAMONDS LIMITED** for the year ended 31st March, 2012 the statement has been prepared by the company and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company covered by our report of even date to the members of the company.

For **Hardik H Shah & Associates**
Chartered Accountants
(Firm Registration No. 131390W)

CA Hardik H Shah
Proprietor
Membership No. 137026

Place : Mumbai
Date : 31st August, 2012



SHEETAL DIAMONDS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	March 31, 2012	March 31, 2011
	Rs	Rs
A. Cash Flow From Operating Activities :		
Net profit before tax as per statement of profit and loss account	156,147	18,658
<u>Adjustments For :</u>		
Depreciation	8,099	7,419
Preliminary expenses written off	27,352	30,392
Interest Income	(1,023,452)	-
Foreign exchange Loss (non-cash Loss)	284,292	-
Sundry balance written off (Non-Cash Expenses)	30,412	-
Operating Cash Flow Before Working Capital Changes	(517,150)	56,469
Changes in current assets and liabilities		
(Increase)/Decrease in Trade Receivables	7,212,557	763,215
(Increase)/Decrease in Inventories	(1,420,498)	1,309,943
(Increase)/Decrease in Long Term and Short Term Loans and Advances	(4,067,821)	
(Increase)/Decrease in Trade Payables, Other Current and Non Current Liabilities and Provisions	(1,866,397)	(897,119)
Cash Generated From Operations	(659,309)	1,232,508
Payment of Taxes (Net of Refunds)	9,500	-
Net Cash Flow From/ (used in) Operating Activities (A)	(649,809)	1,232,508
B. Cash Flow From Investing Activities :		
Purchase of Fixed Assets/CWIP	(7,800)	(35,350)
Sales of Fixed Assets	5,000	
Investment in Fixed Deposits	-	(1,200,000)
Interest income	1,023,452	-
Net Cash Flow From Investment Activities (B)	1,020,652	(1,235,350)
C. Cash Flow From Financing Activities :		
Proceeds from Borrowing	3,000,000	-
Interest and finance charges	-	-
Net Cash From/ (Used In) Financing Activities (C)	3,000,000	-
Net Increase In Cash Or Cash Equivalents (A+B+C)	3,370,843	(2,842)
Cash And Cash Equivalents At The Beginning Of The Year	42,274	45,116
Cash And Cash Equivalents As At The End Of The Year	3,413,117	42,274

Component of cash and cash equivalents (Refer note 14)

As per our report of even date

For Hardik H Shah & Associates
Firm registration No. 131390W
Chartered Accountants

CA Hardik H Shah
Proprietor
Membership No.: 137026

For and on behalf of the Board of Directors

Managing Director

Director

Place : Mumbai
Date : 31st August, 2012



SHEETAL DIAMONDS LIMITED

Regd. Off: Office No8, Sitaram Nivas, 1st Bhatwadi, J.S.S. Road, Opera House, Mumbai 400 004.

FROM OF PROXY

I/We being a Member /Members of SHEETAL DIAMONDS LIMITED hereby appoint Mr./Mrs./Miss.....Of..... in the district ofor failing him/her Mr./Mrs./Miss.....of.....in the district of as My/our proxy to attend and vote for me/us and on my/our behalf at 18th Annual General Meeting of the Company to be held on 28th September 2012 at No. 8, Sitaram Nivas, 1st Bhatwadi, J.S.S. Road, Opera House, Mumbai 400 004 at 10.00 a.m. and at adjournment thereof.

Regd.Filio/Client ID

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DP.ID No.....

No of shares held

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Please affix
Re.1/-
Revruue
Stamp

(Signature (of member /s as per specimen signature on Company's record)

Note: Proxy in order to be valid must be duly filled in, stamped, signed deposited at the Registered Office of the Company not less than 48 hours before the time of commencement of the meeting.

X-----X



SHEETAL DIAMONDS LIMITED

Regd. Off: Office No8, Sitaram Nivas, 1st Bhatwadi, J.S.S. Road, Opera House, Mumbai 400 004.

ATTANDANCE SLIP

PLEASE COMPLETE THIS ATTANDANCE SLIP AND HAND IT OVER
AT THE ENTRANCE OF THE MEETING HALL.

I, hereby record my presence at the 18th Annual General Meeting of the Company held on 28th September 2012 at No8, Sitaram Nivas, 1st Bhatwadi, J.S.S. Road, Opera House, Mumbai 400 004 at 10.00 a.m.

Regd.Filio/Client ID

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DP.ID.No.....

No of shares held

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(Signature of Member/Proxy)

Note: Persons attending the Annual General Matting are required to being their copy of the Annual Report as the practice distribution of copies of the Annual Report at the meeting has been discontinued.

BOOK – POST
(Printed Matter)

TO,

If Undelivered please return to:

SHEETAL DIAMONDS LIMITED

Regd. Office: Office no. 8,
Sitaran Niwas, 1st Bhatwadi, J.S.S. Road,
Opera House, Mumbai – 400 004.
Tel: 022 -23893412