



**19<sup>th</sup>**  
**ANNUAL REPORT**  
**2012-2013**



# 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:

NEELAM K. MASTER

COMPANY SECRETARIES

## BANKERS :

VIJAYA BANK, VILE PARLE (W), MUMBAI

AXIS BANK, ANDHERI (W), MUMBAI

		Pages
C	Board of Directors	1
O	Notice	2-3
N	Directors Report	4-5
T	Management Discussion and Analysis Report – 2013	6
E	Corporate Governance Report.	7-10
N	Auditors' Certificate on Corporate Governance	11
T	Auditors' Report	12-14
S	Balance Sheet	15
	Profit & Loss Account	16
	Schedule of Balance Sheet & Profit & Loss A/c ( 1 to 12)	17-24
	Auditors' Report thereon & Cash Flow Statement	25-26

## REGISTERED OFFICE:

Office No. 8, 1<sup>st</sup> Floor

Sitaram Niwas, 1<sup>st</sup> Bhatwadi,

J.S.S.Road, Opera House

MUMBAI 400 004

## SHARE REGISTRAR & TRANSFER AGENT:

PURVA SHAREREGISTRY 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 19<sup>th</sup> Annual General Meeting of the members of **SHEETAL DIAMONDS LIMITED** will be held on Saturday, 14<sup>th</sup> September, 2013 at 10.00 a.m. at Office No. 8, First Floor, Sitaram Niwas, 1<sup>st</sup> 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 31<sup>st</sup> March, 2013 and Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr. Pankaj V. Shah 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.

### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND 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, 6<sup>th</sup> September, 2013 to Thursday, 12<sup>th</sup> September, 2013 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 : 30<sup>th</sup> May, 2013  
Regd. Office  
Office No. 8, First Floor  
Sitaram Niwas, 1<sup>st</sup> 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

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. 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 19<sup>th</sup> Annual Report and the audited statement of accounts for the year ended 31<sup>st</sup> March, 2013

FINANCIAL RESULTS	Amount in Rs.	
	Year ended 31.3.2013	Year ended 31.3.2012
Sales & Other Income	43,44,67,488	1,37,61,910
Total Expenditure	43,79,72,113	1,36,05,763
Profit / (Loss) before Taxation	-35,04,625	1,56,147
Provision for Taxation	35,000	54,000
Prior Period Expenses	--	--
Profit / (Loss) after taxation	-35,39,625	1,02,147
APPROPRIATIONS:		
Interim Dividend	--	--
Proposed Dividend	--	--
Balance carried to Balance Sheet	-35,39,625	1,02,147

### 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. 4331.58 Lacs compared to Rs. 127.38 Lacs in the previous year.

### DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. Pankaj V. Shah is liable to retire by rotation and being eligible offers himself for re-appointment.

### 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 31<sup>st</sup> March 2013, 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 31<sup>st</sup> March, 2013 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. 9,30,987/- (Previous year Rs. 3,51,047/-)

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

## 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 2013-14. 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 : 30<sup>th</sup> May, 2013



# SHEETAL DIAMONDS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2013

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 : 30<sup>th</sup> May, 2013



# 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 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013, 6(Six) Board Meetings were held on 10<sup>th</sup> May 2012, 01<sup>st</sup> June 2012, 14<sup>th</sup> August 2012, 31<sup>st</sup> August 2012, 08<sup>th</sup> November 2012, 8<sup>th</sup> February 2013.

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	6	YES	NIL	NIL	NIL
Mr. Niranjan P. Vyas	IND - NED	6	YES	NIL	NIL	NIL
Mr. Pankaj V. Shah	IND - NED	6	YES	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 10<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 31<sup>st</sup> August 2012, 8<sup>th</sup> November 2012, 8<sup>th</sup> February 2013. 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 overseas the general accounting practices and other management policies.

Mr. Vinod T. Shah	Managing Director
Mr. Niranjan P. Vyas	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. Pankaj V. Shah	5	5

### 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. Niranjan P. Vyas	4000
Mr. Pankaj V. Shah	3000

#### 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. Niranjan P. Vyas and Mr. Pankaj V. Shah till date.

Mr. Vinod T. Shah	Chairman and Managing Director
Mr. Niranjan P. Vyas	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. Niranjan P. Vyas	5	5
Mr. Pankaj V Shah	5	5

#### Name and Designation of Compliance Officer:

Mr. Vinod T. Shah - Managing Director

#### GENERAL BODY MEETINGS:



# SHEELAL DIAMONDS LIMITED

Financial Year	Date	Location of the Meeting
1 <sup>st</sup> April, 2009 to 31 <sup>st</sup> March, 2010	30.09.2010	Office No. 8, First Floor, Sitaram Niwas, 1 <sup>st</sup> Bhatwadi, J.S.S.Road, Opera House, Mumbai-400 004
1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2011	18.08.2011	Office No. 8, First Floor, Sitaram Niwas, 1 <sup>st</sup> Bhatwadi, J.S.S.Road, Opera House, Mumbai-400 004
1 <sup>st</sup> April, 2011 to 31 <sup>st</sup> March, 2012	28.09.2012	Office No. 8, First Floor, Sitaram Niwas, 1 <sup>st</sup> 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  
Saturday, 14<sup>th</sup> September, 2013 at 10.00 A. M.  
Office No. 8, First Floor, Sitaram Niwas, 1<sup>st</sup> Bhatwadi, J.S.S.Road, Opera House, Mumbai – 400 004

II) Financial Year : 2012-2013  
First Quarter Results : 14<sup>th</sup> August, 2012  
Second Quarter/Half Yearly Results : 8<sup>th</sup> November, 2012  
Third Quarter Results : 8<sup>th</sup> February, 2013

III) Date of Book Closure : 06.09.2013 to 12.09.2013  
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 2012-2013 are as follows :-

Month	Bombay Stock Exchange	
	High	Low
April, 2012	4.90	3.67
May, 2012	5.32	3.05
June, 2012	4.67	2.91
July, 2012	4.44	3.05
August, 2012	4.79	3.11
September, 2012	4.95	3.27
October, 2012	4.90	3.20
November, 2012	4.75	3.60
December, 2012	4.05	3.51
January, 2013	4.30	3.24
February, 2013	4.45	3.63
March, 2013	3.81	2.51

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 31-03-2013

Categories of Shareholders as on March 31, 2013

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 31.03.2013, a total of 40,50,700 equity shares of the Company, forming 81.01% of the share capital of the Company, stand dematerialized (NSDL -27,60,523 CDSL -12,90,177).

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, 1<sup>st</sup> 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 31<sup>st</sup> March, 2013 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 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 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 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 : 30<sup>th</sup> May, 2013

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, 2013 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 31<sup>st</sup> March, 2013, 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 : 30<sup>th</sup> May, 2013



# SHEETAL DIAMONDS LIMITED

## Independent Auditor's Report

To the Members of  
**Sheetal Diamonds Limited**

We have audited the accompanying financial statements of Sheetal Diamonds Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Sd/-  
**CA Hardik H Shah**  
**Proprietor**  
Membership No. 137026  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2013



# 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 31<sup>st</sup> March, 2013.
  - 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 issued 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 : 30<sup>th</sup> May, 2013



# SHEELAL DIAMONDS LIMITED

Balance Sheet as at 31 March, 2013

Particulars		Note No.	As at 31 March, 2013	As at 31 March, 2012
			Amount	Amount
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	3	50,000,000	50,000,000
	(b) Reserves and surplus	4	7,987,557	11,527,183
2	Non-current liabilities			
	(a) Long-term borrowings	5	8,600,000	3,000,000
3	Current liabilities			
	(a) Trade payables	6	41,475	118,542
	(b) Other current liabilities	7	-120,960	54,000
		TOTAL		
			66,508,072	64,699,725
<b>B</b>	<b>ASSETS</b>			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	8	3,902,850	36,281
	(b) Non-current investments	9	22,505,000	40,705,000
	(c) Long Term Loans & Advances	10	9,156,528	18,535,476
	(d) Other Non-Current Assets	11	221,565	246,183
2	Current assets			
	(a) Inventories	12	23,982,011	1,560,323
	(b) Trade receivables	13	-6,699,902	101,000
	(c) Cash and cash equivalents	14	13,299,056	3,413,116
	(d) Short Term Loans & Advances	15	140,964	102,345
		TOTAL		
			66,508,072	64,699,725
See accompanying notes forming part of the financial statements			-	-
In terms of our report attached.				
For Hardik H Shah & Associates		For and on behalf of the Board of Directors		
Chartered Accountants				
FRN : 131390W		Sd/-		Sd/-
Sd/-				
CA Hardik H Shah		Managing Director		Director
Proprietor				
Membership No.: 137026				
Place : Mumbai		Place : Mumbai		
Date : 30th May 2013		Date : 30th May 2013		



# SHEETAL DIAMONDS LIMITED

Statement of Profit and Loss for the year ended 31 March, 2013

Particulars		Note No.	For the year ended	For the year ended
			31 March, 2013	31 March, 2012
			Amount	Amount
A	CONTINUING OPERATIONS			
1	Revenue from operations	16	433,157,234	12,738,450
2	Other income	17	1,310,254	1,023,460
3	Total revenue (1+2)		434,467,488	13,761,910
4	Expenses			
	(a) Cost of materials consumed	18	454,305,168	13,471,925
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	-22,421,688	-1,420,498
	(c) Employee benefits expense	20	718,800	112,300
	(d) Finance costs	21	119,584	9,416
	(e) Depreciation and amortisation expense	8	423,061	8,099
	(f) Other expenses	22	4,827,188	1,424,521
	Total expenses		437,972,113	13,605,763
5	Profit before tax		-3,504,625	156,147
6	Tax expense:			
	(a) Current tax expense for current year		35,000	54,000
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		35,000	54,000
7	Profit for the Year		-3,539,625	102,147
	Earning Per Share on Equity Shares of Rs 10 each			
	Basic		-0.71	0.02

In terms of our report attached.

For Hardik H Shah & Associates

Chartered Accountants

FRN: 131390W

Sd/-

For and on behalf of the Board of Directors

Sd/-

Sd/-

CA Hardik H Shah

Proprietor

Membership No.: 137026

Managing Director

Director

Place : Mumbai

Date : 30th May 2013

Place : Mumbai

Date : 30th May 2013



# SHEETAL DIAMONDS LIMITED

Notes to the financial statements for the year ended March 31, 2013

## 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 obligation.

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 diluted 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



# SHEELAL DIAMONDS LIMITED

Notes forming part of the financial statements  
Note 3 Share capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	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
(d) Subscribed but not fully paid up Equity shares of Rs. 10 each with voting rights	-	-	-	-
<b>Total</b>	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>

#### Note 4 Reserves and surplus

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Amount	Amount	Amount	Amount
Surplus / (Deficit) in Statement of Profit and Loss				
Opening Balance	11,527,184		11,425,037	
Add: Current Year's Profit	(3,539,625)		102,147	
<b>Total</b>	<b>7,987,557</b>		<b>11,527,183</b>	

#### Note 5 Long Term Borrowing

Particulars	As at 31 March, 2012		As at 31 March, 2012	
	Amount	Amount	Amount	Amount
Long Term Borrowings				
Considered Good & Unsecured	8,600,000		3,000,000	
<b>Total</b>	<b>8,600,000</b>		<b>3,000,000</b>	

#### Note 6 Trade payables

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Amount	Amount	Amount	Amount
Trade payables:				
Acceptances	41,475		118,542	
Other than Acceptances				
<b>Total</b>	<b>41,475</b>		<b>118,542</b>	

#### Note 7 Other current liabilities

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Amount	Amount	Amount	Amount
Statutory Dues	(120,960.00)		54,000.00	
<b>Total</b>	<b>(120,960.00)</b>		<b>54,000.00</b>	

#### Note 8 : Fixed Assets

Particulars	Gross block				Accumulated depreciation			Net block		
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>(A) Tangible assets</b>										
Furniture and Fixtures	5,990	581,812	-	587,802	5,990	61,430	-	67,420	520,382	-
Plant & Machinery	-	3,653,318	-	3,653,318	-	353,831	-	353,831	3,299,487	-
Computer Systems	43,150	54,500	-	97,650	6,869	7,800	-	14,669	82,981	36,281
<b>Total</b>	<b>49,140</b>	<b>4,289,630</b>	<b>-</b>	<b>4,338,770</b>	<b>12,859</b>	<b>423,061</b>	<b>-</b>	<b>435,920</b>	<b>3,902,850</b>	<b>36,281</b>
<b>Previous year</b>	516,902	7,800	475,562	49,140	444,911	8,098	440,150	12,859	36,281	



# SHEELAL DIAMONDS LIMITED

Notes forming part of the financial statements

## Note 9 Non-current investments

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount	Amount
Investments at cost	22,505,000	40,705,000
<b>Total</b>	<b>22,505,000</b>	<b>40,705,000</b>

## Note 10 Long-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount	Amount
Secured & Considered Good	9,156,528	18,535,476
<b>Total</b>	<b>9,156,528</b>	<b>18,535,476</b>

## Note 11 Other Non Current Assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount	Amount
Preliminary Expenses (to the extent not written off)	221,565	246,183
<b>Total</b>	<b>221,565</b>	<b>246,183</b>

## Note 12 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount	Amount
Finished Goods	23,982,011	1,560,323
<b>Total</b>	<b>23,982,011</b>	<b>1,560,323</b>

## Note 13 Trade receivables

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount	Amount
Trade Receivables		
Outstanding for more than six months		
Others	-6,699,902	101,000
<b>Total</b>	<b>(6,699,902)</b>	<b>101,000</b>

## Note 14 Cash and cash equivalents

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount	Amount
Cash in Hand	1,034,227	134,770
Balance with Bank	12,264,829	219,045
Fixed Deposit With Bank	-	3,059,301
<b>Total</b>	<b>13,299,056</b>	<b>3,413,116</b>

## Note 15 Other Short Term Loans & Advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Amount	Amount
Advance Tax & Tax Deducted at Sources	140,964	102,345
<b>Total</b>	<b>140,964</b>	<b>102,345</b>

## Note 16 Revenue from operations

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Amount	Amount
(a) Sale of products	433,157,234	12,738,450
<b>Total</b>	<b>433,157,234</b>	<b>12,738,450</b>

## Note 17 Other income

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Amount	Amount
(a) Interest income (Refer Note (i) below)	1,274,512	1,023,452
(b) Other non-operating income	35,742	8
<b>Total</b>	<b>1,310,254</b>	<b>1,023,460</b>
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Amount	Amount
Interest from banks on Bank Deposits	61,226	140,854
Interest on loans and advances	1,213,286	882,598
<b>Total - Interest income</b>	<b>1,274,512</b>	<b>1,023,452</b>



# SHEELAL DIAMONDS LIMITED

## Note 18 Cost of materials consumed

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Amount	Amount
Opening stock	-	-
Add: Purchases of Materials	454,305,168	13,471,925
Less: Closing stock	-	-
<b>Cost of material consumed</b>	<b>454,305,168</b>	<b>13,471,925</b>

## Note 19 Changes in inventories of finished goods

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Amount	Amount
<u>Inventories at the end of the year:</u>		
Finished goods	23,982,011	1,560,323
	23,982,011	1,560,323
<u>Inventories at the beginning of the year:</u>		
Finished goods	1,560,323	139,825
	1,560,323	139,825
<b>Net (increase) / decrease</b>	<b>-22,421,688</b>	<b>-1,420,498</b>

## Note 20 Employee benefits expenses

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Amount	Amount
Salaries and wages	718,800	112,300
<b>Total</b>	<b>718,800</b>	<b>112,300</b>

## Note 21 Finance Cost

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Amount	Amount
Bank Charges	119,584	9,416
<b>Total</b>	<b>119,584</b>	<b>9,416</b>

## Note 22 Other expenses

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Amount	Amount
Advertisement Exp	192,693	89,549
Rediff Expenses	2,809	73,644
India Mart Lisiting Fees	16,854	29,175
Power and fuel	53,258	16,010
Rent including lease rentals	289,134	128,268
Communication	37,587	22,268
Travelling and conveyance	20,073	10,295
Printing and stationery	64,251	7,722
Foreign Travell Expenses	-	323,919
Legal and professional	71,590	131,075
Payments to auditors	25,000	30,000
Net loss on foreign currency transactions and translation	-	284,292
Fees related to Listed shares	40,028	74,834
Director Sitting Fees & Remuneration	300,000	17,000
Loss on sale of Investment	3,575,000	30,412
Miscellaneous expenses	138,911	156,058
<b>Total</b>	<b>4,827,188</b>	<b>1,424,521</b>

## 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, 2013	March 31, 2012
Export of Goods	930,987	351,047
<b>Total</b>	<b>930,987</b>	<b>351,047</b>



# SHEELAL DIAMONDS LIMITED

## Note 25: Segment Information for the year ended March 31, 2013

As the Company is engaged in Two business segment i.e. Trading of Loose Diamonds & Jewellery goods & Trading in Gold & Silver and there are two geographical segments, i.e. Mumbai & Surat; details as per Accounting Standard (AS) 17 on "Segment Reporting" are as follows:

### Geographical Segment

Particulars	March 31, 2013	March 31, 2012
Mumbai	53896760	12738450
Surat	379260474	0
Total	433157234	12738450

### Business Segment

Particulars	March 31, 2013	March 31, 2012
Diamond & Diamond Jewellery	10877756	12723532
Gold & Silver	421974008	14918
Others	305470	0
Total	433157234	12738450

## Note 26: Auditors Remuneration

Particulars	March 31, 2013	March 31, 2012
Audit Fees	25,000	20,000
Total	25,000	20,000

## 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	Pankaj V Shah	

### Note 27.2: Related party transactions

Transactions with related parties during the year :

Sr No	Particulars	Previous Year's Figures are given in brackets	
		2012 - 2013	Significant Influence is exercised by KMP
1	MD Remuneration Vinod T Shah	300,000	
2	Director's Sitting Fees Niranjan P Vyas Pankaj V Shah	4,000 3,000	

## Note 28: Earnings per share

Particulars	March 31, 2013	March 31, 2012
Net profit after tax as per statement of profit and loss	(3,539,625)	102,147
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	(0.71)	0.02

## Note 29: Imported and Indigenous Raw Material Consumption:

Particulars		March 31, 2013		
Raw Materials and Components	In Rs.	%	In Rs.	%
Imported	-	0.00	3,506,711	26.03
Indigenous	454,305,168	100.00	9,965,214	73.97

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

### 1. Installed Capacity

Installed NIL Production NIL

### Polished Diamonds

### 2. Particulars of goods traded

Particulars	March 31, 2013		March 31, 2012	
	Cts/Gms	Amount	Cts/Gms	Amount
<b>Diamonds (Cts)</b>				
Opening Stock	179.67	1,545,772.00	11.26	99,804.55
Purchases	988.14	9,046,778.50	1,228.61	13,094,049.60
Sales	1,024.70	9,425,715.20	1,060.20	11,648,082.15
<b>Closing Stock</b>	<b>143.11</b>	<b>1,166,835.30</b>	<b>179.67</b>	<b>1,545,772.00</b>
<b>Gold (Gms)</b>				
Opening Stock	33.86	14,550.97	1,275.28	40,020.66
Purchases	141,784.07	434,116,222.20	903.24	363,250.00
Sales	133,904.17	411,315,596.64	2,144.66	388,719.69
<b>Closing Stock</b>	<b>7,913.76</b>	<b>22,815,176.53</b>	<b>33.86</b>	<b>14,550.97</b>



# SHEETAL DIAMONDS LIMITED

	<u>2012-13</u>	<u>2011-12</u>
Polished Diamonds	NIL	NIL
<b>4. Value of Imports</b>	<b>2012-13</b>	<b>2011-12</b>
On CIF Basis	NIL	3,506,711.00
<b>5. Expenditure in Foreign Currency</b>	<b>2012-13</b>	<b>2011-12</b>
Expenses	NIL	187,057.00
<b>6. Remuneration to Managing Director</b>	<b>2012-13</b>	<b>2011-12</b>
MD Remuneration	300,000	10,000.00

**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, 2013 and hence disclosure requirements in this regard as per schedule VI of the Companies Act, 1956 is not being provided.

**Note 35:** During the year company has sold investment of Rs 1,82,00,000 at Rs 1,46,25,000 & incurred loss of Rs 35,75,000

**Note 36: 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

Sd/-

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

Sd/-

Sd/-

**CA. Hardik H Shah**

Proprietor

Membership No.: 137026

**Managing Director**

**Director**

Place :  
Mumbai

Date : 30th May 2013



# 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 PROFILE

I. Registration Details :

Registration No.

0	8	3	9	4	5
3	1		0	3	

Balance Sheet Date

Date      Month      Year

1	1
---	---

(Refer Code List)

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

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

6	6	5	0	8	.	0	7	2
---	---	---	---	---	---	---	---	---

Total Assets

6	6	5	0	8	.	0	7	2
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			5	0	0	0	0
--	--	--	---	---	---	---	---

Reserves & Surplus

		7	9	8	7	.	5	5	7
--	--	---	---	---	---	---	---	---	---

Secured Loans

					N	I	L
--	--	--	--	--	---	---	---

Unsecured Loans

					8	6	0	0
--	--	--	--	--	---	---	---	---

Application of Funds

Net Fixed Assets

		3	9	0	2	.	8	5	0
--	--	---	---	---	---	---	---	---	---

Investment

	2	2	5	0	5	.	0	0	0
--	---	---	---	---	---	---	---	---	---

Net Current Assets

3	9	9	5	8	.	1	4	2
---	---	---	---	---	---	---	---	---

Misc. Expenditure

	2	2	1	.	5	6	5
--	---	---	---	---	---	---	---

Accumulated Losses

					N	I	L
--	--	--	--	--	---	---	---

IV. Performance of Company (Amount in Rs. Thousands).

Turnover

4	3	4	4	6	7	.	4	8	8
---	---	---	---	---	---	---	---	---	---

Total Expenditure

4	3	7	9	7	2	.	1	1	3
---	---	---	---	---	---	---	---	---	---

+ - Profit/Loss Before Tax

	-		3	5	0	4	.	6	2	5
--	---	--	---	---	---	---	---	---	---	---

+ - Profit/Loss After Tax

	-		3	5	3	9	.	6	2	5
--	---	--	---	---	---	---	---	---	---	---

(Please tick Appropriate box + for Profit - for Loss)

Earning per share in Rs.

		-	0	.	7	1
--	--	---	---	---	---	---

Dividend @ %

	0
--	---

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

Product Description

CUT & POLISHED DIAMONDS



# **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 31<sup>st</sup> March, 2013 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)

Sd/-

**CA Hardik H Shah**  
**Proprietor**  
Membership No. 137026

Place : Mumbai  
Date : 30<sup>th</sup> May, 2013



# SHEETAL DIAMONDS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	March 31,2013	March 31,2012
	Rs	Rs
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss account	(3,504,625)	156,147
<u>Adjustments For :</u>		
Depreciation	423,061	8,099
Preliminary expenses written off	24,617	27,352
Interest Income	(1,274,512)	(1,023,452)
Loss on Investment	3,575,000	-
Foreign exchange Loss (non-cash Loss)	-	284,292
Sundry balance written off (Non-Cash Expenses)		30,412
Operating Cash Flow Before Working Capital Changes	(756,459)	(517,150)
Changes in current assets and liabilities		
(Increase)/Decrease in Trade Receivables	6,800,902	7,212,557
(Increase)/Decrease in Inventories	(22,421,688)	(1,420,498)
(Increase)/Decrease in Long Term and Short Term Loans and Advances	9,340,328	(4,067,821)
(Increase)/Decrease in Trade Payables, Other Current and Non Current Liabilities and Provisions	(287,027)	(1,866,396)
Cash Generated From Operations	(7,323,944)	(659,308)
Payment of Taxes (Net of Refunds)	-	9,500
Net Cash Flow From/ (used in) Operating Activities (A)	(7,323,944)	(649,808)
<b>B. Cash Flow From Investing Activities :</b>		
Purchase of Fixed Assets/CWIP	(4,289,630)	(7,800)
Sales of Fixed Assets	-	5,000
Investment in Fixed Deposits		-
Interest income	1,274,512	1,023,452
Net Cash Flow From Investment Activities (B)	(3,015,118)	1,020,652
<b>C. Cash Flow From Financing Activities :</b>		
Proceeds from Borrowing	7,600,000	3,000,000
Sales Proceeds from Investments	14,625,000	
Payment of Borrowings	(2,000,000)	-
Net Cash From / (Used In) Financing Activities (C)	20,225,000	3,000,000
Net Increase In Cash Or Cash Equivalents (A+B+C)	9,885,938	3,370,844
Cash And Cash Equivalents At The Beginning Of The Year	3,413,118	42,274
Cash And Cash Equivalents As At The End Of The Year	13,299,056	3,413,118

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

For and on behalf of the Board of Directors

Sd/-  
CA Hardik H Shah  
Proprietor  
Membership No.: 137026

Sd/-  
Managing Director  
Director

Place : Mumbai  
Date : 30th May 2013



# SHEETAL DIAMONDS LIMITED

Regd. Off: Office No8, Sitaram Nivas, 1<sup>st</sup> 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 of .....or 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 19<sup>th</sup> Annual General Meeting of the Company to be held on 14<sup>th</sup> September 2013 at No. 8, Sitaram Nivas, 1<sup>st</sup> Bhatwadi, J.S.S. Road, Opera House, Mumbai 400 004 at 10.00 a.m. and at adjournment thereof.

Regd.Filio/Client ID  DP.ID No.....

No of shares held

Please affix  
Re.1/-  
Revrnue  
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, 1<sup>st</sup> 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 19<sup>th</sup> Annual General Meeting of the Company held on 14<sup>th</sup> September 2013 at No8, Sitaram Nivas, 1<sup>st</sup> Bhatwadi, J.S.S. Road, Opera House, Mumbai 400 004 at 10.00 a.m.

Regd.Filio/Client ID  DP.ID.No.....

No of shares held

(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, 1<sup>st</sup> Bhatwadi, J.S.S. Road,  
Opera House, Mumbai – 400 004.  
Tel: 022 -23893412