



SHEETAL DIAMONDS LIMITED

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14th

ANNUAL REPORT

2007-2008

CERTIFIED TRUE COPY

SHEETAL DIAMONDS LTD.

Mus

Managing Director



SHEETAL DIAMONDS LIMITED

BOARD OF DIRECTORS:

SHRI NIRANJAN P.VYAS
SHRI VINOD T. SHAH
SHRI RASHMIKANT H. SHAH

Managing Director
Director
Director

AUDITORS:

KAMLESH B.MEHTA & COMPANY
CHARTERED ACCOUNTANTS, MUMBAI

BANKERS :

BANK OF PUNJAB LTD, BANDRA, MUMBAI
THE RATNAKAR BANK LTD.VILE PARLE(W), MUMBAI

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REGISTERED OFFICE:

OFFICE NO. 114, FIRST FLOOR,
SIDDHI VINAYAK APARTMENT,
AZAD ROAD, VILE PARLE (E)
MUMBAI 400 057

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

CERTIFICATE COPY

SHEETAL DIAMONDS LTD.

Managing Director



SHEETAL DIAMONDS LIMITED

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of **SHEETAL DIAMONDS LIMITED** will be held on Saturday, the 30th day of August, 2008 at 11.00 a.m. at Office No. 114, First Floor, Siddhi Vinayak Apartment, Azad Road, Vile Parle(E), Mumbai - 400 057 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, 2008 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 is eligible for re-appointment.
3. To appoint Auditors 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 Tuesday, 26th August, 2008 to Saturday, 30th August, 2008 both days inclusive.

By order of the Board

Place : Mumbai
Date : 4th August, 2008

Regd. Office:
Office No. 114, First Floor
Siddhi Vinayak Apartment,
Azad Road, Vile Parle (E)
Mumbai - 400 057

Sd/-
Niranjana P. Vyas
Managing Director



SHEETAL DIAMONDS LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Director have pleasure in presenting the 14th Annual Report and the audited statement of accounts for the year ended 31st March, 2008

FINANCIAL RESULTS	Amount in Rs.	
	Year ended 31.3.2008	Year ended 31.3.2007
Sales & Other Income	18,55,140	1,06,710
Total Expenditure	18,27,952	1,60,007
Profit / (Loss) before Taxation	66,017	(53,297)
Provision for Taxation	25,000	--
Prior Period Expenses	--	--
Profit / (Loss) after taxation	41,017	(53,297)
APPROPRIATIONS:		
Interim Dividend	---	---
Proposed Dividend	---	---
Balance carried to Balance Sheet	41,017	(53,297)

DIVIDEND:

With a view to strengthen reserve, your Directors regret their inability to recommended any dividend during the year under review.

OPERATION:

During the year under review, your company's sales were Rs. 18.55 Lacs compared to Rs. 1.07 Lacs in the previous year.

DIRECTOR:

In accordance with the provisions of the Companies Act, 1956, Mr. Niranjana P. Vyas are liable to retire by rotation and eligible for re-appointment.

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 2008, 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 or loss of the Company for the year under review:



SHEETAL DIAMONDS LIMITED

- (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, 2008 on a 'going concern' basis.

FIXED DEPOSITS :

Your company has not accepted any fixed deposits from public.

ENERGY CONSERVATION :

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 as the Technology for processing of diamonds is indigenous.

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 Company Auditors M/s. Kamlesh B. Mehta & Co., Chartered Accountants retires at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS' REPORT :

As far as the notes by the Auditor in their report are concerned, they are self-explanatory and hence require no further explanation.

ACKNOWLEDGMENT :

Your Directors wish to thank Company's Bankers, and Auditors for the co-operation extended to us.

By Order of the Board

Sd/-

Sd/-

Place : Mumbai
Dated : 4th August, 2008.

Niranjan P. Vyas
Managing Director

Vinod T. Shah
Director



SHEETAL DIAMONDS LIMITED

REPORT ON CORPORATE GOVERNANCE

Your Directors submit their report on the Corporate Governance of the Company for the Financial Year 2007-2008.

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION:

The Polished Diamonds have been facing the stiff competition. During the year under review, the Company has earned Net Profit after tax of Rs.41,017/- compared to Net Loss of Rs. 53,297/- in the previous year. The Company has only one division, trading in Polished Diamonds.

The Company has in built internal control system and the management considers it sufficient; and is certified by the Statutory Auditors of the Company.

There are no financial or commercial transactions having a potential conflict of interest between personnel in the management and the Company.

BOARD OF DIRECTORS:

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

During the financial year 1st April, 2007 to 31st March, 2008, 5(Five) Board Meetings were held on 30th April, 2007, 31st July 2007, 20th August 2007, 31st October 2007, 29th January 2008.

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. Niranjana P Vyas	ED	5	YES	NIL	NIL	NIL
Mr. Vinod T. Shah	NED	5	YES	NIL	NIL	NIL
Mr. Rashmikant H. Shah	NED	5	YES	NIL	NIL	NIL

NED – Non-Executive Director

ED – Executive Director

Brief profile of Director seeking re-election/election:

Mr. Niranjana P. Vyas liable to retire by rotation and being eligible seeking for re – appointment.

Details of Directorship in other public limited Companies:

Name of Director	No. of Directorship	No. of Committee Memberships
Mr. Niranjana P Vyas	NIL	NIL
Mr. Vinod T. Shah	NIL	NIL
Mr. Rashmikant H. Shah	NIL	NIL



SHEETAL DIAMONDS LIMITED

Promoter Directors:

Mr. Vinod T. Shah	Non Executive Director
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Independent Directors:

Mr. Niranjana P. Vyas	Executive chairman and Shareholder/Investor Grievance Committee.
Mr. Vinod T. Shah	– Chairman Audit Committee and Member Shareholder/Investor Grievance Committee.
Mr. Rashmikant H. Shah	– Member Audit Committee

Audit Committee:

The Audit Committee met 5 times in the financial year on 30th April, 2007, 31st July 2007, 20th August 2007, 31st October 2007, and 29th January 2008 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.

Details of Remuneration to the Directors during the period :

Name of the Director	(Amount in Rs.)			
	Salary	Commission	Perquisite	Sitting Fees
Mr. Niranjana P. Vyas	NIL	NIL	NIL	NIL
Mr. Vinod T. Shah	NIL	NIL	NIL	NIL
Mr. Rashmikant H. Shah	NIL	NIL	NIL	NIL

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. Niranjana P. Vyas with Mr. Vinod T. Shah and Mr. Rashmikant H. Shah till date.

Shareholder/Investor Service:

Is handled by Mr. Niranjana P. Vyas who provides timely services.

Name and Designation of Compliance Officer:

Mr. Niranjana P. Vyas, Managing Director



SHEETAL DIAMONDS LIMITED

GENERAL BODY MEETINGS:

Financial Year	Date	Venue
1 st April, 2004 to 31 st March, 2005	26-09-2005	11-C, Ground Floor, Angelina Apartment, Sarojini Road, Vile-Parle (West), Mumbai – 400 056.
1 st April, 2005 to 31 st March, 2006	29-09-2006	11-C, Ground Floor, Angelina Apartment, Sarojini Road, Vile-Parle (West), Mumbai – 400 056.
1 st April, 2006 to 31 st March, 2007	25-09-2007	11-C, Ground Floor, Angelina Apartment, Sarojini Road, Vile-Parle (West), Mumbai – 400 056.

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 :

14th Annual General Meeting to be held on 30th August, 2008

- | | |
|--|--|
| 2. Financial Year | 1 st April, 2007 to 31 st March, 2008. |
| 3 Dividend Payment Date | NIL |
| 4. Venue: Office No.114, First Floor, Siddhi Vinayak Apartment, Azad Road, Vile-Parle (E), Mumbai - 57 | |
| 5 Listing in Stock Exchanges | Bombay Stock Exchange Limited |
| 6 Stock Code | 530525 |
| 7 Market Price Data: | |

	BSE			BSE	
	HIGH (Rs.)	LOW (Rs.)		HIGH (Rs.)	LOW (Rs.)
April, 2006			October, 2006		
May, 2006			November, 2006		
June, 2006			December, 2006		
July, 2006	-		January, 2007		
August, 2006			February, 2007		
September, 2006			March, 2007		

8. Share Transfer Systems: Transfers of physical shares are effected In house after approval by the Share Transfer Committee.