



SHEETAL DIAMONDS LIMITED

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15th

ANNUAL REPORT

2008-2009



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,
VIJAYA BANK, 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 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 15th Annual General Meeting of the members of **SHEETAL DIAMONDS LIMITED** will be held on Wednesday, the 30th day of September, 2009 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, 2009 and Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr. Rashmikant Shah, 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 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 Tuesday, 22nd September, 2009 to Wednesday, 30th September, 2009 both days inclusive.

By order of the Board

Place : Mumbai
Date : 10th August, 2009

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

Sd/-
Niranjan P.Vyas
Managing Director



SHEETAL DIAMONDS LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Director has pleasure in presenting the 15th Annual Report and the audited statement of accounts for the year ended 31st March, 2009

FINANCIAL RESULTS

	Year ended 31.3.2009	Year ended 31.3.2008
Sales & Other Income	82, 57,668	18, 55,140
Total Expenditure	83, 60,661	18, 27,952
Profit / (Loss) before Taxation	(1,02,995)	66,017
Provision for Taxation	--	25,000
Prior Period Expenses	--	--
Profit / (Loss) after taxation	(1, 02,995)	41,017
APPROPRIATIONS:		
Interim Dividend	--	--
Proposed Dividend	--	--
Balance carried to Balance Sheet	(1, 02,995)	41,017

DIVIDEND:

In view of loss during the year, 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. 82.58 Lacs compared to Rs. 18.55 Lacs in the previous year.

DIRECTOR:

In accordance with the provisions of the Companies Act, 1956, Mr. Rashmikan Shah is 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 2009, 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, 2009 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

Place : Mumbai

Dated : 10th August, 2009.

Sd/-

Niranjan P. Vyas
Managing Director

Sd/-

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 2008-2009.

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 Loss of Rs. 1,02,993/- compared to Net Profit of Rs. 41,017/- 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, 2008 to 31st March, 2009, 5(Five) Board Meetings were held on 29th April 2008, 28th July 2008, 4th August 2008, 23rd Oct 2008, 31st January 2009.

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. Niranjan P Vyas	ED	5	YES	NIL	NIL	NIL
Mr. Vinod T. Shah	NED	5	YES	NIL	NIL	NIL
Mr. Rashmikan H. Shah	NED	5	YES	NIL	NIL	NIL

NED – Non-Executive Director

ED – Executive Director

Brief profile of Director seeking re-election/election:

Mr. Rashmikan H. Shah 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. Niranjan P Vyas	NIL	NIL
Mr. Vinod T. Shah	NIL	NIL
Mr. Rashmikan H. Shah	NIL	NIL



SHEETAL DIAMONDS LIMITED

Promoter Directors:

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

Mr. Niranjan 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 29th April 2008, 28th July 2008, 4th August 2008, 23rd Oct 2008, 31st January 2009, 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 :

(Amount in Rs.)

Name of the Director	Salary	Commission	Perquisite
Mr. Niranjan P. Vyas	NIL	NIL	NIL
Mr. Vinod T. Shah	NIL	NIL	NIL
Mr. Rashmikant H. Shah	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. Niranjan P. Vyas with Mr. Vinod T. Shah and Mr. Rashmikant H. Shah till date.

Shareholder/Investor Service:

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

Name and Designation of Compliance Officer:

Mr. Niranjan P. Vyas, Managing Director



SHEETAL DIAMONDS LIMITED

GENERAL BODY MEETINGS:

Financial Year	Date	Venue
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	25-9-2007	11-C, Ground Floor, Angelina Apartment, Sarojini Road, Vile-Parle (West), Mumbai - 400 056.
1 st April, 2007 to 31 st March, 2008	30-03-2008	Office No. 114, First Floor, Siddhi Vinayak Apartment, Azad Road, Vile Parle (E) Mumbai - 400 057

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:

1 Annual General Meeting to be held on 15th September, 2008

2. Financial Year 1st April, 2008 to 31st March, 2009.

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. 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.

8. Distributions of Share Holdings as on 31-03-2009

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