



SHEETAL DIAMONDS LIMITED

16th

ANNUAL REPORT

2009-2010



SHEETAL DIAMONDS LIMITED

BOARD OF DIRECTORS :

SHRI VINOD T. SHAH
SHRI NIRANJAN P.VYAS
SHRI AJAY M. PAREKH

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

		Pages
C	Board of Directors	1
O	Notice	2-5
N	Directors Report	6-8
T	Management Discussion and Analysis Report – 2010	9-10
E	Corporate Governance Report.	11-18
N	Auditors' Certificate on Corporate Governance	19
T	Auditors' Report	20-23
S	Balance Sheet	24
	Profit & Loss Account	25-27
	Schedule of Balance Sheet & Profit & Loss A/c (1 to 13)	28-33
	Auditors' Report thereon & Cash Flow Statement	34-35

REGISTERED OFFICE:

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

SHARE REGISTRAR & TRANSFER AGENT:

PURVA 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 16th Annual General Meeting of the members of **SHEETAL DIAMONDS LIMITED** will be held on Thursday, the 30th day of September, 2010 at 11.00 a.m. at Office No. 8, First Floor, Sitaram Niwas, 1st Bhatwadi, J.S.S. Road, Opera House, Mumbai - 400 004 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' and Auditors' reports and Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr Vinod T Shah who retires by rotation and being eligible offers himself 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.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. Ajay M.parekh who was appointed as an additional director of the Company by the Board of Directors of the Company pursuant to section 260 of the Companies Act, 1956 and who holds office of the director until the date of the ensuing annual general meeting and in the respect of whom the company has received a notice in writing together with requisite deposit under section 257 of the companies Act, 1956 from member expressing his intention to propose his as candidate for the office of director, be and is hereby appointed as director of the Company liable for retirement by rotation".



SHEETAL DIAMONDS LIMITED

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, 2010 to Wednesday, 30th September, 2010 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.

For and on behalf of the board of Directors

Sd/-
Managing Director

Place : Mumbai
Date : 4th September, 2010

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



SHEETAL DIAMONDS LIMITED

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

Item 4

Mr. Ajaya M.parekh was appointed as an additional director of the Company by the Board of Directors on 4th December, 2009 pursuant to section 260 of the Companies Act, 1956 and he holds office of the director until the date of the ensuing annual general meeting and in the respect of whom the company has received a notice in writing together with requisite deposit under section 257 of the companies Act, 1956 from member expressing his intention to propose his as candidate for the office of director.

The board of directors recommends the appointment of Mr Ajay M Parekh as director of the Company liable to retire by rotation.

None of the directors of the Company is concerned or interested in the resolution except Mr A jay M Parekh.

The Board commends the resolution at item no 4

For and on behalf of the board of Directors

Sd/-
Managing Director

Date : 4th September, 2010

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



SHEETAL DIAMONDS LIMITED

Details in respect of the Directors, seeking re-appointments 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. Vinod T Shah	Mr Ajay M. Parekh
2)	Date of Birth	25.04.1954	08.05.1967
3)	Date of Appointment	10/01/2007	4/12/2009
4)	Expertise in specific areas	Managing the business	Business
5)	Qualifications	SSC	Diploma in Civil Engineer
6)	Number of Shares held in Sheetal Diamonds	1,71,000 Equity shares	Nil
7)	Directorship in other Companies	Nil	Nil
8)	Membership of Committees in other Public Limited Companies:	Nil	Nil



SHEETAL DIAMONDS LIMITED

DIRECTORS' REPORT

To,

The Members,

Your Director has pleasure in presenting the 16th Annual Report and the audited statement of accounts for the year ended 31st March, 2010

FINANCIAL RESULTS

	Year ended 31.3.2010	Year ended 31.3.2009
Sales & Other Income	37,12,507	82,57,668
Total Expenditure	37,37,523	83,60,661
Profit / (Loss) before Taxation	25,016	(1,02,995)
Provision for Taxation	--	--
Prior Period Expenses	--	--
Profit / (Loss) after taxation	25,016	(1,02,995)
APPROPRIATIONS:		
Interim Dividend	---	---
Proposed Dividend	---	---
Balance carried to Balance Sheet	25,016	(1,02,995)

DIVIDEND:

In view of the carried forward 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. 37.12 Lacs compared to Rs. 82.58 Lacs in the previous year.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. Mr Vinod T Shah is liable to retire by rotation and being eligible offers himself for re-appointment. Mr Rashmikanth H Shah resigned as director of the Company. The directors have placed on record the appreciation of services rendered by him during his association with company.

Mr. Ajaya M.parekh was appointed as an additional director of the Company by the Board of Directors on 4th December, 2009 pursuant to section 260 of the Companies Act, 1956 and he holds office of the director until the date of the ensuing annual general meeting. *The necessary resolution for his appointment is proposed in the notice convening the ensuing annual general meeting.*

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, Kamlesh B Mehta & Co., Chartered Accountants, confirming compliance of the conditions of corporate governance as stipulated in Clause 49 is annexed.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures:
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review:
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- (iv) That the Directors had prepared the accounts for the financial year ended 31st March, 2010 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 : Nil

Foreign Exchange used : Nil

PERSONNEL:

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



SHEETAL DIAMONDS LIMITED

AUDITORS:

The Company Auditors M/s. Kamlesh B. Mehta & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The members are requested to consider reappointing them auditors and to fix their remuneration.

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/-

Place : Mumbai

Dated : 4th September, 2010.

Managing Director



SHEETAL DIAMONDS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2010

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 of 20% every year.

b) Outlook, Opportunities, Threats and Risks:

The industry is showing healthy signs of growth. As per capita 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 under suspension for trading purpose 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.