



17th

ANNUAL REPORT

2010-2011



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 & CO.
CHARTERED ACCOUNTANTS, MUMBAI

CONSULTANT:

GIRISH MURARKA & CO.
COMPANY SECRETARIES

BANKERS :

VIJAYA BANK, VILE PARLE (W), MUMBAI

		Pages
C	Board of Directors	1
O	Notice	2-4
N	Directors Report	5-6
T	Management Discussion and Analysis Report – 2011	7
E	Corporate Governance Report.	8-13
N	Auditors' Certificate on Corporate Governance	14
T	Auditors' Report	15-17
S	Balance Sheet	18
	Profit & Loss Account	19
	Schedule of Balance Sheet & Profit & Loss A/c (1 to 12)	20-25
	Auditors' Report thereon & Cash Flow Statement	26-27

REGISTERED OFFICE:

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

SHARE REGISTRAR & TRANSFER AGENT:

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



SHEETAL DIAMONDS LIMITED

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of **SHEETAL DIAMONDS LIMITED** will be held on Thursday, the 18th day of August, 2011 at 10.00 a.m. at Office No. 8, First Floor, Sitaram Niwas, 1st Bhatwadi, J.S.S. Road, Opera House, Mumbai – 400 004 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' and Auditors' reports and Audited Balance Sheet as at 31st March, 2011 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 M/s Hardik H. Shah & Associate, Chartered Accountants, in place of existing Auditor M/s Kamlesh B. Mehta, Chartered Accountants to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

RESOLVED THAT subject to the provisions of SEBI (Delisting of Securities Guidelines) 2003 and all other relevant laws, regulations and guidelines including any statutory modifications or re-enactment thereof for the time being in force and subject to such approvals, permissions and sanctions as may be prescribed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board to get the Equity Shares of the Company delisted from Ahmedabad Stock Exchange Limited and Delhi Stock Exchange Association Limited and Madras Stock Exchange Limited.

RESOLVED FURTHER THAT the Board of Director of the Company (hereinafter referred to as the "Board" which term shall deemed to include any committee thereof exercising the power conferred by the Board) be and is hereby authorized to agree to such terms and conditions which they may consider appropriate and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable to delist the Equity Shares of the Company from Ahmedabad Stock Exchange Limited and Delhi Stock Exchange Association Limited and Madras Stock Exchange Limited and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to the Managing Director or any person whom the Managing Director may consider suitable to do various acts, deeds and things required to be done in this behalf

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 Thursday, 11th August, 2011 to Thursday, 18th August, 2011 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 : 1st July, 2011

Regd. Office

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

For and on behalf of the board of Directors

Sd/-

Vinod T. Shah
Managing Director



SHEETAL DIAMONDS LIMITED

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

The Equity shares of the Company has been listed with Bombay Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Delhi Stock Exchange Association Limited. And Madras Stock Exchange Limited The trading of equity share with Ahmedabad Stock Exchange Limited and Delhi Stock Exchange limited and Madras Stock Exchange Limited has been suspended, however the equity shares are traded at Bombay Stock Exchange Limited.

Further the SEBI has relaxed the norms for delisting of equity shares and with the entire base of business operation in Mumbai & shares of the Company are traded with Bombay Stock Exchange Limited, the Board of Directors have decided to get the shares delisted from Ahmedabad Stock Exchange Limited and Delhi Stock Exchange Association Limited and Madras Stock Exchange Limited. in accordance with applicable laws, rules, regulations and guidelines

As required by the SEBI (De-listing of Securities Guidelines) 2003 and other applicable laws, the Company seeks members' approval by way of Special Resolution for de-listing of shares from Ahmedabad Stock Exchange Limited and Delhi Stock Exchange Association Limited and Madras Stock Exchange Limited.

Shareholders / Investors in these region will not suffer as the Equity Shares of the Company will continue to be traded on Bombay Stock Exchange limited.

None of the Directors of the Company is interested or concerned in the resolution.

For and on behalf of the board of Directors

Sd/-

Vinod T. Shah
Managing Director

Date : 1st July, 2011

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
2)	Date of Birth	25.04.1954
3)	Date of Appointment	10/01/2007
4)	Expertise in specific areas	Managing the business
5)	Qualifications	SSC
6)	Number of Shares held in Sheetal Diamonds	1,71,000 Equity shares
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 17th Annual Report and the audited statement of accounts for the year ended 31st March, 2011

FINANCIAL RESULTS	Amount in Rs.	
	Year ended 31.3.2011	Year ended 31.3.2010
Sales & Other Income	69,64,055	37,12,507
Total Expenditure	69,45,396	37,37,523
Profit / (Loss) before Taxation	18,659	25,016
Provision for Taxation	--	--
Prior Period Expenses	--	--
Profit / (Loss) after taxation	18,659	25,016
APPROPRIATIONS:		
Interim Dividend	--	--
Proposed Dividend	--	--
Balance carried to Balance Sheet	18,659	25,016

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. 69.64 Lacs compared to Rs. 37.12 Lacs in the previous year.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. Vinod T 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, 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 2011, 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, 2011 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.8,66,340/- (Previous year. NIL)

Foreign Exchange used : Nil (Previous year. NIL)

PERSONNEL:

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

AUDITORS:

The existing Auditor M/s Kamlesh B. Mehta & Co. Chartered Accountants, expressed his unwillingness for re-appointment as Statutory Auditor of the Company for the financial year 2011-12. The Chairman proposed M/s Hardik H. Shah & Associates, Chartered Accountant to be appointed as Statutory Auditor for the financial year 2011-12 to hold office upto the next Annual General Meeting. The certificate from Auditor under section 224(1-B) with regards to his appointment shall be within prescribed limit were taken on record. The Board recommends the appointment of M/s Hardik H. Shah & Associates, Chartered Accountants as the Statutory Auditor at the ensuing 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 : 1st July, 2011



SHEETAL DIAMONDS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2011

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 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 : 1st July, 2011