



21st

ANNUAL REPORT

2014-2015



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:

SHARAVAN A. GUPTA & ASSOCIATES
COMPANY SECRETARIES, MUMBAI

BANKERS :

AXIS BANK, BDB BRANCH, BANDRA (E)

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REGISTERED OFFICE:

BW-2030, Bharat Diamond Bourse,
BKC, Bandra (East), Mumbai- 400051

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 21st Annual General Meeting of the members of **SHEETAL DIAMONDS LIMITED** will be held on Monday, the 28th day of September, 2015 at 11.00 a.m. at Park View, 37 Lallubhai Park Road, Andheri (west), Mumbai- 400058 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, 2015 and Statement of Profit and Loss for the year ended on that date.
2. To appoint a Director in place of Mr. Vinod Trikamlal Shah (01859634) 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 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 a SPECIAL RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) ("Act") read with Schedule IV to the Act, Mrs. Nita Pankaj Shah (holding DIN 07144690), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for (5) five consecutive years commencing from 31.03.2015 to 31.03.2020."

Notes :

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than Forty-eight hours before the commencement of the Meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books shall remain closed from Thursday, 24th September, 2015 to Monday, 28th September, 2015 both days inclusive.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate immediately any change in their address or bank mandates immediately to the Company.
8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
9. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.
10. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 21st Annual General Meeting of the Company.
11. The e-voting period begins on Thursday, 24th September, 2015 at 9.00 a.m. and ends on Sunday, 27th September, 2015 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2015, may cast their vote electronically. Thereafter the e-voting module shall be disabled by CDSL for voting.
12. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September 2015.
13. A copy of this notice has been placed on the website of the Company and the website of CDSL.
14. M/s. Shravan A Gupta & Associates, Practicing Company Secretary (Certificate of Practice Number 9990) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
15. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.



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16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services Limited, on all resolutions set forth in this notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Thursday, 24th September, 2015 at 9.00 a.m. and ends on Sunday, 27th September, 2015 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Now, select the “Sheetal Diamonds Limited” form the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for Sheetal Diamonds Limited on which you choose to vote.
 - (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
 - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



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In case of member receiving the physical copy:

- (A) Please follow all steps from sl. no.(i) to sl. No (xviii) above to cast vote.
- (B) The voting period begins on Thursday, 24th September, 2015 at 9.00 a.m. and ends on Sunday, 27th September, 2015 at 6.00 p.m.. During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut – off date and not casting their votes electronically, may cast their vote at the AGM venue, facility will be available at the venue. The results of e-voting will be placed by the Company on the website within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.

1. The resolutions proposed will be deemed to have been passed on the date of AGM subject to receipt of number of votes in favour of the resolutions.
2. M/s. Shraavan A Gupta & Associates, Practicing Company Secretary, (Membership No.: ACS 9990) has been appointed as the Scrutinizer to scrutinize the e-voting process.
3. In terms of Clause 35B of the Listing Agreement, those members, who do not access to e-voting facility, may send their assent or dissent in writing on the Ballot Form sent along with this AGM Notice so as to reach the Scrutinizer at the Address- M/s. Shraavan A. Gupta & Associates, Practicing Company Secretary, (Membership No.: ACS 9990) Room no ¾ Ram Sumer Gupta House, Goreswadi, S.V. Road Malad West Mumbai - 400064 on or before 28th September, 2015. Any Ballot Form received after 5.00 p.m. on 28th September, 2015 will be treated as the reply from the member has not been received.
4. Voting will be provided to the members through e-voting and / or at the venue of the Meeting. A member can opt for only one mode of voting i.e. either through e-voting or ballot If a member cast votes by both modes, then voting done through e-voting shall prevail and the ballot shall be treated as invalid.
5. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company’s Registered office on all working days of the Company between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting except Saturday, Sundays and Public holidays.
6. Members/Proxies are requested to bring their attendance slip dully filled in along with their copy of Annual Report to the Meeting.

ANNEXURE TO THE NOTICE

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

The Board of Directors has received a notice from the shareholder proposing the candidature of Mrs. Nita P, Shah as a Independent Director to be appointed under the pursuant to provisions of Section 149 of the Companies Act, 2013. Mrs. Nita P, Shah is having more than 2 years of rich experience in the field of Business and Marketing.

The Company has received from Mrs. Nita P, Shah (i) consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mrs. Nita P, Shah as Independent Director of the Company for a term of 5 years under Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mrs. Nita P, Shah proposed to be appointed as an Independent Director, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder.

None of the Directors, key Managerial Personnel or their relatives, except Mrs. Nita P, Shah, for whom the Resolution relates, is interested or concerned in the Resolution.

The Board recommends the Resolution set forth at Item No.4 for the approval of the members.

For and on behalf of the board of Directors

Sd/-
Vinod T. Shah
Managing Director
DIN 01859634

Place : Mumbai
Date : 28th May, 2015

Regd. Office:
BW-2030, Bharat Diamond Bourse,
BKC, Bandra (East),Mumbai- 400051



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	Mrs. Nita P. Shah
2)	Date of Birth	05.01.1970
3)	Date of Appointment	31.03.2011
4)	Expertise in specific areas	Business & Marketing
5)	Qualifications	Graduate
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

Sr. No.	Particulars	
1)	Name of the Director	Mr. VINOD TRIKAMLAL SHAH
2)	Date of Birth	25/04/1954
3)	Date of Appointment	10/01/2007
4)	Expertise in specific areas	Business & Marketing
5)	Qualifications	S.S.C.
6)	Number of Shares held in Sheetal Diamonds	171000
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 Directors presents their 21st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

STATE OF COMPANY'S AFFAIRS:

Your Company is in the business of Trading of Diamond & Diamond Jewellery in India & worldwide. It has a global network worldwide, Single sales offices a Work force of over 5 people that sell Multiple product to about 100 Plus customers India and abroad.

FINANCIAL PERFORMANCE:

Particulars	(Rs. in Lacs)	
	Standalone	
	March 2015	March 2014
Income from operation	383.44	2,816.11
Other Income	0.98	4.83
Total Income	384.42	2,820.94
Profit/(loss) before Interest, Depreciation, Tax and Exceptional Items	3.93	5.63
Less Interest Expenses	--	--
Less Depreciation	(6.58)	(5.47)
Less Exceptional Items	--	--
Profit/(loss) before Tax	(2.65)	0.15
Less Provision for Taxation	--	0.04
Net Profit/(Loss) after Tax	(2.65)	0.12

During the financial year 2014-15 the total income decreased by 86.38% to Rs.384.42 lacs as compared to last year's total income of Rs. 2,820.94 lacs. Loss Occurred of Rs. 20.80 lacs due to decrease in income & Increase in Depreciation.

DIVIDEND AND BOOK CLOSURE

The Board of Directors does not recommend dividend on equity shares for the current financial year.

The register of members and share transfer books will remain close from **Thursday, 24th September, 2015 at 9.00 a.m. and ends on Monday, 28th September, 2015 at 6.00 p.m** (both days inclusive) for the 21st Annual General Meeting of the Company scheduled to be convened on 28th September, 2015 at **Park View,37 Lallubhai Park Road, Andheri (west),Mumbai- 400058**.

FINANCIAL SITUATION

Reserves& Surplus

As at March 31, 2015 Reserves and Surplus amounted to Rs. 74.30 lacs as compared to Rs.80.00 lacs of previous year. The said scenario is due to inadequate profitability during the year under review and contribution of losses by the company.

Long Term Borrowings

There has been decrease in the Long Term Borrowings to Rs.9.80 compared to Rs.26.00 lacs as at March 31, 2014.

Short Term Borrowings

Company do not have any short term borrowing in the current period under review.

Fixed Asset

Net Fixed Assets as at March 31, 2015 have reduced to Rs.25.82 lacs as compared to Rs. 26.82 lacs in the previous year.

Investments

Company not made any investment in the current period under review.

SHARES CAPITAL

Authorised Capital

The current Authorised Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six Crores) divided into 60,00,000 (Sixty Lacs) Equity shares of Rs.10/- each.

Equity Shares

The paid up Equity share capital of the Company as on March 31, 2015 was Rs.5,00,00,000/- (Rupees Five Crores) comprising of 50,00,000 (Rupees Fifty Lacs) equity shares of Rs. 10/- each.



SHEETAL DIAMONDS LIMITED

MEETINGS BOARD OF DIRECTORS

The Board normally meets once in a quarter and additional meetings are held as and when required. During the year, the Board of Directors met 5 times i.e. on May 27, 2014, August 13, 2014, November 13, 2014, February 12, 2015 & March 31, 2015. The dates of Board Meetings were generally decided in advance with adequate notice to all Board Members.

APPOINTMENT / RESIGNATION OF DIRECTORS (SECTION 168(1)) AND KEY MANAGERIAL PERSONNEL (KMP):

During the year:

- 1) Mrs. Nita P. Shah was appointed as Additional Director w.e.f. March 31, 2015 and her Appointment is Regularized by shareholders in 21st Annual General meeting subject to Approval by majority shareholders in the AGM.

INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declarations from Mr. Niranjana Purushottam Vyas, Mr. Pankaj Vinod Shah and Mrs. Nita P. Shah Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION PURSUANT TO SECTION 178(3) OF THE COMPANIES ACT, 2013

The Board of Directors of your Company in consultation with Nomination and Remuneration Committee had formulated and adopted Code for Independent Directors and which contains policy on director's appointment and remuneration including criteria for determining qualification, positive attributes and independence of directors.

Board of Directors of the Company duly consider appointment of the Directors in adherence with the policy prescribed under the code of independent directors and provisions of section 178(3) of the Companies Act, 2013.

AUDIT COMMITTEE

The Company has an Independent Audit Committee comprising of 2 (Two) Independent Directors and 1 (one) Managing Director. Mr. Niranjana Purushottam Vyas, Mr. Pankaj Vinod Shah and Mr. Vinod T. Shah, Managing Director of the Company are Members of the Committee. All the members of the Audit Committee are financially literate. In view of their professional qualification and experience in finance, all are considered to have financial management and accounting related expertise. Terms of reference of the Audit committee are elaborated in the Corporate Governance report which forms the part of this Annual Report.

EVALUATION OF PERFORMANCE OF BOARD

During the year a separate Meeting of Independent Directors of the Company was held on 28th March, 2015, which was attended by all the Independent Directors to discuss and review the self assessment of Directors, Board and Committees thereof and also assess the quality, content and timeliness of flow of information between the Management and the Board.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors confirms that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has implemented several best Corporate Governance Practices as prevalent globally.

In compliance with Clause 49 of the Listing Agreements entered into with the Stock Exchanges, a Report on the Corporate Governance, along with the certificate from the Statutory Auditors of the Company on compliance with the provisions of the said Clause is annexed and forms part of the Annual Report.



SHEETAL DIAMONDS LIMITED

LOANS MADE, GUARANTEES GIVEN OR INVESTMENTS IN SECURITIES BY THE COMPANY.

Particulars of loans made, guarantees given or investments in securities by the Company are provided in the Note 10 of notes to the Financial Statements.

PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES IN A PRESCRIBED FORM ALONGWITH THE JUSTIFICATION FOR ENTERING INTO SUCH CONTRACT OR ARRANGEMENT.

During the year there was no related party transactions of material nature that may have a potential conflict with interests of the Company, all transactions with related parties were in the normal course of business. On recommendation of Audit Committee the Board ratifies all the related party transactions on quarterly basis. The details of the transaction is annexed herewith as 'Annexure- I' in the prescribed form AOC-2

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company does not own any manufacturing facility or unit, hence disclosures in this regard not required. The particulars with respect to conservation of energy, technology absorption being not relevant, have not been given. During the year the foreign exchange earnings were Rs. 253.97.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments has been done my management affecting the financial position of the Company between the end of the financial year of the company to which the financial statements relates and the date of the report.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure II** to this Report.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company as it is suffering losses since last three consecutive years, hence disclosure in this regard is not provided.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES (SECTION 177(10))

The Board of directors of the Company believes in conducting all its affairs in a fair and transparent manner, by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The directors are committed to comply with the laws and regulations to which it is subject. For this, it has put in place systems, policies and procedures to interpret and apply these laws and regulations in the organizational environment. In consonance with the object of transparency and good governance, the board of directors of the company formulated and adopted "Whistle Blower Policy and Vigil Mechanism"

The organization's internal controls and operating procedures are intended to detect and prevent improper activities. In this regard, the Company believes in developing a culture where it is safe for all the Directors/Employees to raise concerns about any poor or unacceptable practice and any event of misconduct. These help to strengthen and promote ethical practices and ethical treatment of all those who work in and with the organization.

The main objective of this Policy is to provide a platform to Directors and Employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the group which have a negative bearing on the organisation either financially or otherwise.

RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES REMUNERATION (SECTION 197(12))

Details pertaining to remuneration as required under section 197(12) of the Companies act, 2013 read with rule 5(1) of the companies (appointment and Remuneration of managerial personnel) rules, 2014 are provided in 'Annexure-III' to the Board's Report.

MANAGERIAL REMUNERATION AND RELATED DISCLOSURES

Disclosures pertaining to remuneration to directors and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

Pertaining the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the board of directors do hereby declare that:

- (i) No any employee throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;
- (ii) No any employee for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;
- (iii) No any employee throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.



SHEETAL DIAMONDS LIMITED

SUBSIDIARY COMPANIES

The Company has no subsidiary companies and hence company no need to make disclosure of contracts or arrangements or transactions not at arm's length basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 and rules, amendments made there under, Mr. Shравan A Gupta, Practising Company Secretary was appointed to conduct the secretarial audit of our company for FY 2014-15. The Secretarial Audit report is given separately under **Annexure IV**.

HUMAN RESOURCES

Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives. The Company has a dedicated team of employees at various locations across our corporate office and branch offices (including Subsidiary companies) spread across the country. The Company strives to inculcate the culture where its employees are motivated and their performance is aligned with values. Company has achieved this present level of excellence through the commitment and dedication exhibited by its employees. The focus on improving productivity and adoption of best practices in every area are being pursued relentlessly. Efforts for active participation, nurturing creativity and innovation and ensuring a climate of synergy and enthusiasm has been at the core of Human Resource initiatives and interventions.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

Your Company has adequate internal financial control and adopted Internal Financial Control Policy in order to maintain confidentiality of price sensitive information and internal financial control.

RISK MANAGEMENT

The Company has mechanisms to inform the Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk through means of a properly identified framework. Risk management is an ongoing process and the Audit Committee will periodically review risk mitigation measures. The Board of Directors has not constituted a Risk Management Committee as is not mandatory to the company vide circular bearing number CIR/CFD/POLICY CELL/7/2014 issued by SEBI dated September 15, 2014.

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There were no significant and material orders passed by the regulators and/or courts or tribunals during the year.

POLICY FOR SEXUAL HARRASMENT

The Company has formed the Sexual harassment Committee and no casualty or complaint lodged against anybody.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank all investors, clients, vendors, banks, regulatory, Government authorities and Stock Exchanges for their continued support and cooperation. The Directors also wish to place on record their appreciation of the contribution made by the business partners / associates at all levels.

For and on behalf of the board of Directors

Sd/-

Vinod T. Shah
Managing Director
DIN 01859634

Place : Mumbai
Date : 28th May, 2015