



SHEETAL DIAMONDS LIMITED

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

		Pages
C O N T E N T S	Board of Directors	1
	Notice	2
	Directors Report	3 - 4
	Corporate Governance Report.	5 - 8
	Auditors' Certificate on Corporate Governance	9
	Auditors' Report	10 - 13
	Balance Sheet	14
	Profit & Loss Account	15
	Schedule of Balance Sheet & Profit & Loss A/c (1 to 13)	16 - 24
	Cash Flow Statement & Auditors' Report thereon.	25

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

Sd/-
Niranjan P.Vyas
Managing Director

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



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. Rashmikant 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 thanks Company's Bankers, and Auditors for the co-operation extended to us.

By Order of the Board

Place : Mumbai
Dated : 10th August, 2009.

Sd/-	Sd/-
Niranjan P.Vyas	Vinod T. Shah
Managing Director	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. 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. Rashmikant 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. Rashmikant H. Shah	NIL	NIL



SHEETAL DIAMONDS LIMITED

Promoter Directors:

Mr. Vinod T. Shah	Non Executive Director
-------------------	------------------------

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 parcel (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



SHEETAL DIAMONDS LIMITED

9. The shares are in Physical and Demated.

10. The Company has not issued GDR/ADR/Warrants or any convertible instruments.

11. The Company has no Plants.

12. Address of Correspondence:

Shareholder Correspondence in relation to Transfer of Shares queries should be addressed to:
Office No. 114, First Floor, Siddhi Vinayak Apartment, Azad Road, Vile-Parle (E), Mumbai – 400 057.

SHEETAL DIAMONDS LTD.

Registered Office:

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



SHEETAL DIAMONDS LIMITED

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Sheetal Diamonds Limited

We have examined the compliance conditions of Corporate Governance by M/s Sheetal Diamonds Limited for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the Said Company with Bombay Stock Exchange Limited

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our Examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For And on Behalf Of
KAMLESH B.MEHTA & CO.
Chartered Accountants

Place : Mumbai
Date : 10th August, 2009

Sd/-
Kamlesh B. Mehta
(Proprietor)
Member Ship No.36323



SHEETAL DIAMONDS LIMITED

AUDITORS' REPORT

To the Members

SHEETAL DIAMONDS LIMITED

We have audited the attached Balance Sheet of SHEETAL DIAMONDS LIMITED as at 31st March, 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating to the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, (Amendment) 2004 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Other Notes give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
 - ii. In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date;
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For And on Behalf Of
KAMLESH B.MEHTA & CO.
Chartered Accountants

Sd/-

Kamlesh B.Mehta
(Proprietor) Member Ship No.36323

Place : Mumbai
Date : 10th August, 2009



SHEETAL DIAMONDS LIMITED

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 1 of is our Report of even date of SHEETAL DIAMONDS LIMITED as at 31st March, 2009.

1. (a) The Company has maintained proper records showing full particulars including quantitative details of Fixed Assets and situation of fixed assets.
(b) The company has physically verified Fixed Assets at reasonable intervals and no material discrepancies were noticed on such verification.
(c) None of the Fixed Assets have been disposed off during the year.
2. (a) The Inventory has been physically verified by the management at reasonable intervals during the year.
(b) The procedure of physical verification of Inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
(c) The Company is maintaining proper records of inventory and the discrepancies noticed on verification between the physical stock and the book records were not material and the same have been properly dealt with in the books of accounts.
3. The company has not taken / granted unsecured loans, to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (iii) (b) to (d) of the Order are not applicable.
4. In our opinion, and according to explanation given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories, fixed assets and for the sale of goods. There is no continuing failure to correct weakness in internal control.
5. According to the information and explanations given to us, we are of the opinion that there are no transactions that need be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly provisions of clause 4(v) (b) of the Order are not applicable.
6. According to the information and explanation given to us, during the year under review, the company has not accepted any Deposits from the public and hence provisions of section 58A and 58AA of the Companies Act, 1956 and Rules framed there under are not applicable.
7. The Company has no internal audit system.



SHEETAL DIAMONDS LIMITED

8. We have been informed that the maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 for any of the products of the company.
9. a) According to the information and explanations to us, the Company is not having any employee on whom statutory liabilities including Provident Fund, E.S.I.C. is applicable. Other statutory liabilities i.e. VAT, wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other applicable statutory dues wherever applicable are deposited with appropriate authorities. There are no arrears of statutory dues as at 31st March, 2008 except Income Tax which are outstanding for a period of more than six month from the date they became payable.
- b) As per information given to us there is disputed demand pending for payment in respect of Income Tax including present status for the same before Appellate authority is as per table given here under

INCOME TAX – ASSESSEES POSITION AS ON 31ST MARCH, 2008

ASSESSMENT YEAR	TAX	INTEREST	PENALITY	REMARK
1996-1997	10952070.00	18036750.00	9256921.00	ITAT
1997-1998	4374905.00	6262520.00	4384903.00	ITAT
1998-1999	2357929.00	2823482.00	7065684.00	ITAT
2001-2002	-	-	1369656.00	CIT (A)
	17684904.00	27122752.00	22077164.00	

10. The Clause of accumulated losses etc is not applicable to the company.
11. We have observed that the company has not defaulted in repayment of Dues to Bank, since no loan has been obtained from any Bank by the Company.
12. Company has not granted loans & Advances on the basis of security etc. hence no discrepancies thereof arise.
13. The Provisions of Nidhi / Mutual benefit Fund/ Society etc. are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Order are not applicable to the company.
15. Company has not given any Guarantee for loans taken by others and hence other provision are not applicable.
16. Company has not obtained any term loan during the year from Banks / F.I. and hence application of loan, for specific purpose clause is not applicable.



SHEETAL DIAMONDS LIMITED

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the, we report that no funds raised on short term basis have been used for long term investment by the Company.
18. No preferential Allotment of shares etc. has been made by the Company; hence other clauses are not applicable.
19. No Debentures are issued by the Company.
20. There was no raising of money by Public issue.
21. In accordance with the information and explanations given to us and, on our examination of books and records, no frauds on or by the company has been noticed or reported during the year.

For KAMLESHB. MEHTA & CO.
CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 10th August, 2009

Sd/-
Kamlesh B.Mehta
(Proprietor)

Member Ship No.36323



SHEETAL DIAMONDS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2009

I	<u>SOURCES OF FUND</u>	<u>SCHEDULE</u>	Amount in Rs.	
			<u>31.03.2009</u>	<u>31.03.2008</u>
	Share Capital	1	50,000,000	50,000,000
	Reserve & Surplus	2	11,510,374	11,613,369
			<u>61,510,374</u>	<u>61,613,369</u>
II	<u>APPLICATION OF FUNDS</u>			
1	FIXED ASSETS :	3		
	Gross Block		481,552	481,552
	Less : Depreciation upto date		<u>422,530</u>	<u>415,972</u>
	Net Block		59,022	65,580
2	INVESTMENTS	4	40,705,000	40,705,000
3	CURRENT ASSETS, LOANS & ADVANCES	5		
	a Inventory		149,820	38,829
	b Sundry Debtors		8,557,975	7,462,047
	c Cash and Bank Balance		60,114	71,721
	d Loan and Advances		<u>13,480,810</u>	<u>13,480,810</u>
			22,248,719	21,053,407
4	LESS CURRENT LIABILITIES & PROVISION	6	1,840,065	585,838
	Net Current Assets		20,408,654	20,467,569
5	MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	7	337,698	375,220
			<u>61,510,374</u>	<u>61,510,376</u>

The Statement of significant accounting policies and the schedules referred to above form an integral part of this Balance Sheet.

Notes to the accounts: 12
As per the Report of even date

For KAMLESH B. MEHTA & COMPANY
Chartered Accountants

Sd/-
KAMLESH B. MEHTA
Proprietor

Sd/-
Shri Niranjan P. Vyas
Managing Director

Sd/-
Shri Vinod T. Shah
Director

Place : Mumbai
Date : 10th August, 2009

Place : Mumbai
Date : 10th August, 2009



SHEETAL DIAMONDS LIMITED
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH 2009

I. INCOME	SCHEDULE	31.3.2009	31.3.2008
Sales	8	8,257,668	1,855,140
Increase / Decrease Stock	9	110,991	38,829
		8,368,659	1,893,969
II. EXPENDITURES			
Material consumed & Purchase	10	8,003,147	1,536,872
Operating & Establishment Cost	11	424,427	242,102
Preliminary & Preoperative Expenses		37,522	41,691
Depreciation		6,558	7,287
		8,471,654	1,827,952
PROFIT / (LOSS) BEFORE TAXATION		(102,995)	66,017
Provision for Taxation		-	25,000
Prior Period Expenses		-	-
PROFIT / (LOSS) AFTER TAXATION		(102,995)	41,017
Available for appropriation			
Interim Dividend			
Proposed Dividend			
PROFIT / (LOSS) CARRIED TO BALANCE SHEET		(102,995)	41,017

NOTES TO THE ACCOUNTS

12

The Statement of significant accounting policies and the schedules referred to above form an part of this Profit and Loss Account.

As per the Report of even date

For **KAMLESH B. MEHTA & COMPANY**

Chartered Accountants

Sd/-

KAMLESH B. MEHTA

Proprietor

Member Ship No.36323

Sd/-

Shri Niranjana P. Vyas

Managing Director

Sd/-

Shri Vinod T. Shah

Director

Place : Mumbai

Date : 10th August, 2009

Place : Mumbai

Date : 10th August, 2009



SHEETAL DIAMONDS LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009

	<u>31.03.2009</u>	<u>31.03.2008</u>
1 SHARE CAPITAL		
Authorised :		
60,00,000 Equity Share of Rs. 10/- Each	60,000,000	60,000,000
(Previous Year 60,00,000 Equity share of Rs. 10/- Each)		
	<u>60,000,000</u>	<u>60,000,000</u>
ISSUED SUBSCRIBED & PAID UP		
50,00,000 Equity Share of Rs. 10/- each fully paid up.	50,000,000	50,000,000
(Previous Year - 50,00,000 Equity Share of Rs. 10/- each fully paid up)		
	<u>50,000,000</u>	<u>50,000,000</u>
2 RESERVE & SURPLUS		
As per last Balance Sheet	11,613,369	11,572,352
Add : Amount transferred from Profit & Loss A/c.	(102,995)	41,017
	<u>11,510,376</u>	<u>11,613,369</u>



SHEETAL DIAMONDS LIMITED

SCHEDULE "3" FIXED ASSETS

Gross Block				DEPRICIATION				Net Block		
Sl. No. Description	As At 01.04.2008	Addition during the year	Deduction	As at 31.03.2009	Upto 01.04.2008	For the Year	Deduction	Up to 31/3/2009	As on 31.03.2009	As on 31.03.2008
1 Eureka Forbes	5990	0	0	5990	3953	204	0	4157	1833	2037
2 Vehicles	475562	0	0	475562	412019	6354	0	418373	57189	63543
	481552	0	0	481552	415972	6558	0	422530	59022	65580



SHEETAL DIAMONDS LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009

Sch.		31.03.2009	31.03.2008
4	INVESTMENTS :		
	Share (Unquoted)	40,700,000	40,700,000
	Kisan Vikas Patre	5,000	5,000
		<u>40,705,000</u>	<u>40,705,000</u>
5	CURRENT ASSETS, LOANS & ADVANCES		
	CURRENT ASSETS :		
	A INVENTORIES :		
	(As certified as valued by the Managing Director)		
	Raw Material (At Cost)		
	Finished Goods	149,820	38,829
	(At lower of cost of Market Value)		
		<u>149,820</u>	<u>38,829</u>
	B SUNDRY DEBTORS :		
	(Unsecured, Considered Good)		
	Over six months	8,557,975	7,462,047
	Others		
		<u>8,557,975</u>	<u>7,462,047</u>
	C CASH AND BANK BALANCE		
	Cash on hand	1,725	20,870
	Balance with Scheduled Banks	58,389	50,851
		<u>60,114</u>	<u>71,721</u>
	D LOAN AND ADVANCES :		
	(Unsecured, Considered Good)		
	Advance recoverable in cash or in kind	13,370,000	13,370,000
	Or for value to be received		
	Advanced Tax	110,810	110,810
		<u>13,480,810</u>	<u>13,480,810</u>
6	CURRENT LIABILITIES AND PROVISION ;		
	Current Liabilities		
	Sundry Creditors	1,830,065	550,838
	Audit Fee Payable	10,000	10,000
	Provision for Taxation		25,000
	Listing Fees		
		<u>1,840,065</u>	<u>585,838</u>
7	MISCELLANEOUS EXPENDITURE :		
	Preliminary Expenses	375,220	416,911
	Less : Written off during the year	37,522	41,691
		<u>337,698</u>	<u>375,220</u>



SHEETAL DIAMONDS LIMITED

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2009

		Amount in Rs.	
		<u>31.03.2009</u>	<u>31.03.2008</u>
8 SALES :			
	Diamond & Gold Jewellery	3,994,349	1,855,140
	MCX(gold gini)	4,263,319	-
		<u>8,257,668</u>	<u>1,855,140</u>
9 INCREASED / DECREASED IN STOCK :			
	Polished Diamonds		
	Opening Stock	38,829	-
	Closing Stock	149,820	38,829
		<u>(110,991)</u>	<u>(38,829)</u>
10 MATERIAL CONSUMED & PURCHASE:			
	Opening Stock	-	-
	Purchase of Raw Material-Daimond & Gold Jewewllery	3,024,676	1,336,613
	Purchase of Raw Material- MCX Gold Gini	4,277,240	-
	Add : Direct Expenses	701,229	200,259
	Less : Sale of Raw Materials	-	-
		<u>8,003,145</u>	<u>1,536,872</u>
11 OPERATING AND ESTABLISHMENT COST :			
	Advertisement Expenses	13,556	6,890
	Courier Charges	29,449	62,900
	Electricity Charges	26,187	2,220
	Internet Charges	8,776	21,740
	Sitting fees	7,500	7,500
	Printing & Stationery Charges	-	6,662
	Rent	86,268	16,000
	VAT Expenses	7,499	13,365
	Salaries	44,835	12,000
	Bank Charges	1,518	475
	Audit Fees	10,000	10,000
	Conveyance Expenses	8,943	7,850
	Miscellaneous Expenses	21,196	62,900
	CDSL/NSDC Charges	29,589	-
	Legal & Proffistional charges	64,000	-
	Telephone charges	36,657	-
	R & T Expences	16,854	-
	Listing Fees	11,600	11,600
		<u>424,427</u>	<u>242,102</u>



SHEETAL DIAMONDS LIMITED

SHEETAL DIAMONDS LIMITED

NOTES TO THE ACCCOUNTS:

Notes annexed to and forming part of the Balance as 31st March, 2008 and Profit and Loss Accounted for the year ended 31st March, 2009.

Schedule - 12

1. Significant Accounting Policies :

a) Basic Accounting:

The Financial statements are prepared under the historical costs convention on an accrual basis and are in accordance with the requirement of the Companies Act, 1956.

b) Inflation:

Assets and Liabilities are recorded at historical cost to the company. These costs are not adjusted to reflect the changing value of purchasing power of money.

c) Sales:

Sale is invoiced on delivery of goods to the customers.

d) Fixed Assets:

All fixed assets are stated at cost of acquisition less accumulated depreciation.

e) Depreciation:

Depreciation on Fixed Assets is provided on written down value method as per the rates specified in Schedule XVI of the Companies Act, 1956.

f) Inventories:

Raw material are accounted at cost, work in progress is accounted on material cost, Finished goods are accounted at lower of cost or net realizable value, store, spares and consumable are charged to revenue at the time of procurement.

2. ACCOUNTING STANDARDS:

a) Accounting Standard 17:

The Company is mainly engaged in trading activity and the major revenue comes from the said activity, where as the other activities of investment and financial services form very negligent part. So the segment wise information is of no significant use, hence not given.

b) Related parties disclosure as per Accounting Standard 18:

List of the relative party with whom transaction took place during the year:

The Company has not made any transaction with any related party during the year.

c) Lease Agreement as per Accounting Standard 19:

The Company has not entered into any Agreement of Lease during the year.

d) Earning per share as per Accounting Standard 20:

i) Weighted average number of share at the beginning and end of the year	<u>2008-09</u> 50,00,000	<u>2007-08</u> 50,00,000
ii) Net Profit / (Loss) after Tax available for equity share holders	(1,02,995)	41,017
iii) Diluted earning per share	(0.02)	0.01



SHEETAL DIAMONDS LIMITED

e) Taxes on Income Tax as per Accounting Standard 22:

i) Provision for Income Tax is made in accordance with the Income Tax Act, 1961

ii) Deferred Tax Assets/Liability are not recognized in the current year as there is a virtual certainty and evidence that there will not be any future taxable income which will be available against which such Deferred Tax Assets/ Liabilities could be realized or adjusted.

3. Contingent Liabilities:

All known liabilities are provided for in the accounts except liabilities of contingent nature which have been adequately disclosed in the accounts.

4. Previous year figures have been rearranged \ regrouped wherever necessary with figures of the current year.

5. The figures have been rounded off to the nearest multiple of Rupee.

6. Balances of deposits, Advances and unsecured loans etc. are subject to confirmation.

7. In the opinion of the Board of Directors of the company, the current assets, loan and advances have value at least equal to the amount at which they are stated in Balance Sheet, if realized in ordinary course of business.

8. Auditor's Remuneration include following:-

	<u>2008-09</u>	<u>2007-08</u>
Audit Fee	Rs. 10,000/-	Rs. 10,000/-
(including Service Tax)		
Total	Rs. 10,000/- =====	Rs. 10,000/- =====

10. There is no employee who is in receipt of remuneration, which in aggregate was not less than Rs. 24, 00,000/- p.a. If employed through out the year, Previous year (NIL), and Rs. 2,00,000/- p.m. in aggregate if employed for the part of the year, Previous year (NIL).

11. During the year, transactions with small scale undertaking is Nil.

12. Investment consists of investment in un-quoted shares as detailed below :

	Amount in Rs.	
	31.3.2009	31.3.2008
a) Bhatia International Limited	1,00,00,000	1, 00,00,000
b) Blue Stock Investment Private Limited	25, 00,000	25, 00,000
c) Lecmec Engineering Private Limited	1,82,00,000	1, 82,00,000
d) Robust Finance Private Limited	1, 00, 00,000	1, 00, 00,000
	4, 07, 00,000	4, 07, 00,000



SHEETAL DIAMONDS LIMITED

13. Amount due to Small Scale Industries Rs. NIL as on 31/03/09.

14. Additional information as required under part IV of schedule VI to the companies Act 1956.

1. Installed Capacity Production

	<u>Unit</u>	<u>Installed</u>	<u>Production</u>
Polish Diamonds	Carats	NIL	NIL
(previous year)	Carats	NIL	NIL

As certified by the Managing Director, being technical matter.

2. Particulars of goods Traded :

	<u>Quantity</u>		<u>Rs. In lacs</u>	<u>Gold Gini</u>	<u>Quantity</u>		<u>Rs. In lacs</u>	<u>Gold Gini</u>
	<u>Diamond</u>	<u>Gold</u>	<u>2008/2009</u>	<u>MCX</u>	<u>Diamond</u>	<u>Gold</u>	<u>2007/2008</u>	<u>MCX</u>
	Cts	gms		Rs. In lacs	Cts	gms		Rs. In lacs
				<u>2008/2009</u>				<u>2007/2008</u>
Opening stock	8.29	18.600	0.39	NIL	Nil	Nil	Nil	NIL
Purchases	274.69	2344.560	30.16	42.77	135.50	2255.000	15.37	NIL
Closing Stock	3.45	287.820	1.49	NIL	8.29	18.600	0.39	NIL
Turnover	279.53	2075.340	39.94	42.63	127.21	2236.400	18.55	NIL
Transfer	-	-	1.49	-	Nil	Nil	Nil	-
Closing stock	3.45	287.820		NIL	8.29	18.600	0.39	NIL

3. Raw materials consumed :

Rough diamonds NIL NIL

4. Value of Imports Calculated

	<u>2008/2009</u>	<u>2007/2008</u>
On C.I.F. basis	NIL	NIL

5. Expenditure in Foreign Currency :

Travelling expenses NIL NIL

6. Earning in Foreign Exchange :

Export of goods calculated on FOB. Basis NIL NIL

7. Remuneration to Managing Director

Managing Director NIL NIL
salary



SHEETALDIAMONDSLIM ITED

8. Balance Sheet abstract and Company's General Business Profile,

1) Registration Details :

Registration No.	83945
State code	11
Balance Sheet date	31 st March, 2009

2) Capital raised during the year :

Public issue	---
Right issue	---
Bonus issue	---
Private placement	---

3) Position of mobilization and deployment of funds (Rs in '000)

Total Liabilities	61510
Total Assets	61510
Sources of Funds :	
Paid up capital	50,000
Reserve and surplus	11,510
Secured loans	Nil
Application of Funds :	
Net fixed assets	59
Investment	40,705
Net current assets	20,409
Miscellaneous expenditure	338
Accumulated losses	---

4) Performance of Company :

Turnover	8,258
Total expenditure	8,361
Profit / (loss) before tax	(103)
Profit / (loss) after tax	(103)
Earning per share (Rs.)	---
Dividend rate	---

5) Generic name of principal products, services of the company

Item code no.	71-0239-01
Product description	Cut and polish diamonds

Signature to schedule 1 to 13

As per our report of even date
For KAMLESH B.MEHTA & COMPANY
Chartered Accountants

Sd/-
Kamlesh B.Mehta
Proprietor
Member Ship No.36323
Place : Mumbai
Date : 10th August, 2009

Sd/-
Shri. Niranjn P. Vyas
Managing Director

Sd/-
Shri. Vinod T. Shah
Director
Place : Mumbai
Date : 10th August, 2009



SHEETAL DIAMONDS LIMITED

AUDITORS REPORT

To,
The Board of Directors
SHEETAL DIAMONDS LIMITED
Mumbai,

We have examined the above cash flow statement of **SHEETAL DIAMONDS LIMITED** for the year ended 31st March, 2009 the statement has been prepared by the company and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company covered by our report of even date to the members of the company.

For KAMLESH B.MEHTA & CO.
Chartered Accountants

Sd/-

KAMLESH B.MEHTA
Proprietor

Place : Mumbai
Dated : 10th August, 2009

Member Ship No.36323



SHEETAL DIAMONDS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

(Pursuant to amended to Clause 32 of the Listing Agreement)

	Amount in Rs.	
	31st MARCH 2009	31st MARCH 2008
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before Taxation and Extra- Ordinary Items	(102,995)	66,017
Adjustments for :		
Preliminary Expenses Written Off	37,522	41,691
Depreciation	6,558	7,287
Op. Profit before Working Capital Charges	(58,915)	114,995
Adjustments for:		
Increase Trade and Other Receivables	6,395,930	67,963
Increase in Inventories	110,991	38,829
Increase in Trade payable	1,254,227	21,502
Cash Generated from Operation	(5,311,609)	29,705
Prior Period expenses - Listing Fees		-
Cash Flow before Extraordinary Items		
Transfer to Differed Tax Liability Reserve		-
NET CASH FROM OPERATING ACTIVITIES	(5,311,609)	29,705
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets		-
Share appln. Money		-
Sale of Investment		-
NET CASH USED IN INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share Capital		-
Proceeds from long Term Borrowing	5,300,000	-
NET CASH USED IN FINANCING ACTIVITIES	5,300,000	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(11,609)	29,705
Cash and Cash Equivalants as at (Opening Balance)	71,721	42,016
Less: Cash and Cash Equivalants as at (Closing Balance)	60,114	71,721
NET INCREASE AS DISCLOSED ABOVE	11,607	(29,705)

AS PER OUR REPORT OF EVEN DATE

**FOR KAMLESH B. MEHTA & CO
(CHARTERED ACCOUNTANTS)**

Sd/-

**(KAMLESH MEHTA)
PROPRIETOR.**

Member Ship No.36323

PLACE : MUMBAI

DATED : 10TH AUGUST, 2009

FOR & ON BEHALF OF THE BOARD

Sd/-

**(Niranjan P. Vyas)
Managing Director**

PLACE : MUMBAI

DATED : 10TH AUGUST, 2009

Sd/-

**(Vinod T. Shah)
Director**



SHEETAL DIAMONDS LIMITED

Regd. Off: Office No114, Siddhi Vinayak Apartment, Azad Road, Vile Parle (E), Mumbai 400 057.

FROM OF PROXY

I/We being a Member /Members of SHEETAL DIAMONDS LIMITED hereby appoint Mr./Mrs./Miss..... Of..... in the district ofor failing him/her Mr./Mrs./Miss.....of.....in the district of as My/our proxy to attend and vote for me/us and on my/our behalf at 15th Annual General Meeting of the Company to be held on 30th September 2009 at No. 114, Siddhi Vinayak Apartment, Azad Road, Vile Parle (E), Mumbai 400 057 at 11.00 a.m. and at adjournment thereof.

Regd.Filio/Client ID

No of shares held

Please affix
Re.1/-
Revrnue
Stamp

(Signature (of member /s as per specimen signature on Company's record)

Note: Proxy in order to be valid must be duly filled in, stamped, signed deposited at the Registered Office of the Company not less than 48 hours before the time of commencement of the meeting.

X-----X



SHEETAL DIAMONDS LIMITED

Regd. Off: Office No114, Siddhi Vinayak Apartment, Azad Road, Vile Parle (E), Mumbai 400 057.

ATTANDANCE SLIP

PLEASE COMPLETE THIS ATTANDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I, hereby record my presence at the 15th Annual General Meeting of the Company held on 30th September 2009 at No114, Siddhi Vinayak Apartment, Azad Road, Vile Parle (E), Mumbai 400 057at 11.00 a.m.

Regd.Filio/Client ID

No of shares held

(Signature of Member/Proxy)

Note: Persons attending the Annual General Matting are required to being their copy of the Annual Report as the practice distribution of copies of the Annual Report at the meeting has been discontinued.

BOOK POST

TO,

If Undelivered please return to:

SHEETAL DIAMONDS LIMITED

Regd. Office: Office no. 114,
Siddhi Vinayak Apartment, Azad Road,
Vile Parle (E), Mumbai 400 057.
Tel: 022 -26136007