



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

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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 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 does 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 does 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



SHEETAL DIAMONDS LIMITED

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

Sheetal Diamonds Limited marks its Corporate Governance with the prevalent practices and it conforms the mandatory requirements.

BOARD OF DIRECTORS:

The Board of Directors comprises of One Executive Directors and Two Non-executive Directors.

During the financial year 1st April, 2010 to 31st March, 2011, 5(Five) Board Meetings were held on 27th April 2010, 12th August 2010, 30th September 2010, 12th November 2010, 14th February 2011.

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. Vinod T. Shah	MD	5	YES	NIL	NIL	NIL
Mr.Niranjan P Vyas	IND - NED	5	YES	NIL	NIL	NIL
Mr.Ajay M.Parekh	IND – NED	5	N A	NIL	NIL	NIL

MD – Managing Director

IND – Independent

NED – Non-Executive Director ED – Executive Director

Board's Functioning & Procedure

The Company holds a minimum of four Board Meetings in a year, one each per quarter. Additional Board Meetings are convened as and when necessary to address the specific needs of the Company. The Board also approves urgent matters by passing resolutions by circulations. The Meetings of the Board are held at the Company's registered office or at a hall in South Mumbai depending on the circumstances.

Agenda papers are circulated to the directors in advance and all material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the Meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting. In special and exceptional circumstances, additional or supplementary items on Agenda are permitted.

The information as required under Annexure I to Clause 49 of the Listing Agreement is made available to the Board in every meeting.



SHEETAL DIAMONDS LIMITED

Audit Committee:

The Audit Committee met 5 times in the financial year on 27th April 2010, 12th August 2010, 30th September 2010, 12th November 2010, 14th February 2011, 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.

Mr. Vinod T.Shah	Managing Director
Mr. Niranjana P.Vyas	Independent – Non Executive Director
Mr. Ajay M.Parekh	Independent – Non Executive Director

Details of attendance at the meetings of Audit Committee:

Name of the members	No. of meetings held	No. of meetings attended
Mr. Vinod T.Shah	5	5
Mr. Niranjana P. Vyas	5	5
Mr. Ajay M.Parekh	5	5

Terms of Reference

The role and terms of reference of this Committee are wide enough to cover the matters specified for the Audit Committee under Clause 49 of the listing agreement as well as in Section 292 A of the Companies Act, 1956 and are as follows:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) To review with Management the financial statements at the end of a quarter, half year and the annual financial statements before submission to the Board for approval, focusing particularly on:
 - (i) matters required to be included in the Director's Responsibility Statement which form part of the Board's reporting in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) qualifications in the draft audit report
- c) to consider the appointment or re-appointment of the statutory auditors, the audit fee, any questions of resignation or dismissal and payment to statutory auditors for any other services rendered by them;
- d) to discuss with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern (in absence of management, wherever necessary);



SHEETAL DIAMONDS LIMITED

- e) reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems and discuss the same periodically with the statutory auditors, prior to the Board making its statement thereon;
- f) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- g) discussion with internal auditors on any significant findings and follow up thereon.
- h) reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- i) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- j) to review the functioning of the Whistle Blower Mechanism, in case the same is existing;
- k) to review the external auditors' audit reports and presentations and management's response thereto;
- l) to ensure co-ordination between the internal and external auditors, and to request internal audit to undertake specific audit projects, having informed management of their intentions;
- m) to consider any material breaches or exposure to breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
- n) to review policies and procedures with respect to directors' and officers' expense accounts, including their use of corporate assets, and consider the results of any review of these areas by the internal auditors or the external auditors;
- o) to consider other topics, as defined by the Board;
- p) to review the following information :
 - i) Management discussion and analysis of financial condition and results of operations;
 - ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - iii) Management letter/letters of internal control weaknesses issued by the statutory auditors;
 - iv) Internal audit reports relating control weaknesses; and
 - v) The appointment, removal and terms of remuneration of the Internal Auditor.

Details of Sitting fees paid during the year

Name	Amount
Mr. Niranjana P. Vyas	Rs .5,000/-
Mr. Ajay M.Parekh	Rs. 7,500/-



SHEETAL DIAMONDS LIMITED

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. Vinod T. Shah with Mr. Niranjana P. Vyas and Mr. Ajay M. Parekh till date.

Mr. Vinod T. Shah	Chairman and Managing Director
Mr. Niranjana P. Vyas	Independent – Non Executive Director
Mr. Ajay M. Parekh	Independent – Non Executive Director

Details of attendance at the meetings of Investor Grievance Committee:

Name of the members	No. of meetings held	No. of meetings attended
Mr. Vinod T. Shah	5	5
Mr. Niranjana P. Vyas	5	5
Mr. Ajay M. Parekh	5	5

Name and Designation of Compliance Officer:

Mr. Vinod T. Shah - Managing Director

GENERAL BODY MEETINGS:

Financial Year	Date	Location of the Meeting
1 st April, 2007 to 31 st March, 2008	30.08.2008	Office No. 114, First Floor, Siddhi Vinayak Apartment, Azad Road, Vile Parle (E) Mumbai - 400 057
1 st April, 2008 to 31 st March, 2009	30.08.2009	Office No. 8, First Floor, Sitaram Niwas, 1 st Bhatwadi, j.s.s.Road, Opera House, Mumbai-400 004
1 st April, 2009 to 31 st March, 2010	30.09.2010	Office No. 8, First Floor, Sitaram Niwas, 1 st Bhatwadi, j.s.s.Road, Opera House, Mumbai-400 004

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.



SHEETAL DIAMONDS LIMITED

SHAREHOLDER INFORMATION:

- I) **Annual General Meeting :**
Day, Date, Time and Venue
Thursday, 18th August, 2011 at 10.00 A. M.
Office No. 8, First Floor, Sitaram Niwas, 1st
Bhatwadi, J.S.S. Road, Opera House,
Mumbai – 400 004
- II) Financial Year : 2010-2011
First Quarter Results : 12th August, 2010
Second Quarter/Half Yearly Results : 12th November, 2010
Third Quarter Results : 14th February, 2011
- III) Date of Book Closure : 11 /08/2011 to 18 /08/2011
both days inclusive
- IV) Listing in Stock Exchanges : Bombay Stock Exchange Limited
- V) Stock Code : 530525
- VI) Demat ISIN numbers in NSDL & CDSL –INE786J01017 for equity shares :
- VII) **Stock Price Performance at Bombay Stock Exchange Ltd., Mumbai:**

The monthly High, Low stock prices during the financial year 2010-2011 are as follows :-

Month	Bombay Stock Exchange	
	High	Low
October, 2010	50.00	11.75
November, 2010	12.60	8.52
December, 2010	8.94	7.60
January, 2011	11.03	8.36
February, 2011	9.81	6.89
March, 2011	12.07	7.51

Source Data has been taken from the Website of the Bombay Stock Exchange. The company does not have any other sources for verification of data.

- VIII) Share Transfer Systems: The company has appointed M/s. Purva Shareregistry India P. Ltd, Share Registrar & Transfer Agent, 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E) Mumbai-400 011, Transfers of physical shares are effected In house after approval by the Share Transfer Committee.

- IX). Distributions of Share Holdings as on 31-03-2011

Categories of Shareholders as on March 31, 2011

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

- X) Dematerialization of Shares - The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31.03.2011, a total of 32,96,200 equity shares of the Company, forming 65.92% of the share capital of the Company, stand dematerialized (NSDL –23,90,600 CDSL -9,05,600).

- XI) Outstanding GDR/ADR/warrants - NIL

- XII) The Company has no Plants.

- XIII) Address of Correspondence:

Shareholder Correspondence in relation to Transfer of Shares queries should be addressed to:
Office No. 8, First Floor, Sitaram Niwas, 1st Bhatwadi, J.S.S. Road, Opera House, Mumbai – 400 004.

- XIV) Compliance Certificate from Auditors of the Company – published elsewhere in this report.

- XV) Compliance with other mandatory requirements.



SHEETAL DIAMONDS LIMITED

1. Management Discussion and Analysis

Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(iv)(F) of the Listing Agreement is attached.

2. Disclosures

2.1 Related party Transactions

The details of all transactions with related parties are placed before the audit committee.

2.2 Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

3. Code of Conduct

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All board members have affirmed their compliance with code. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.

4. CEO/CFO certification

A Certificate from Managing Director on the financial statements of the Company was placed before the Board.

5. Review of Directors' Responsibility statement

The Board in its report have confirmed that the annual accounts for the year ended 31st March, 2011 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

NON-MANDATORY REQUIREMENTS

a) Any qualification in Auditors Report	NIL
b) Remuneration Committee	Remuneration Committee has been not been constituted.
c) Shareholder Rights The half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders	The Company's Quarterly results are published in English and Marathi newspapers having wide circulation. In view of the above, the half yearly declaration of financial performance including summary of the significant events in the last six months are not sent. The audited Results for the financial year are communicated to the Shareholders through the Annual Report.

The Board would review implementation of non-mandatory requirements of Corporate Governance code regarding Tenure of independent directors on the board, Training of Board Members, Mechanism for evaluating non-executive board members and Whistle Blower Policy at appropriate time.

Declaration on compliance with code of conduct

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the web site of the Company.

It is hereby affirmed that all the Directors and Senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

For and on behalf of the board of Directors

Sd/-

Place : Mumbai
Date : 1st July, 2011

Vinod T. Shah
Managing Director



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, 2011 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, We have to state the based on the report by the Registrars of the Company to the Investor Grievance Committee as on 31st March, 2011, there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

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 : 1st July, 2011

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



SHEETAL DIAMONDS LIMITED

AUDITORS' REPORT

To the Members

SHEETAL DIAMONDS LIMITED

I have audited the attached Balance Sheet of **SHEETAL DIAMONDS LIMITED** as at 31st March, 2011 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. I conducted my 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. I believe that my audit provides a reasonable basis for my 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 My comments in the Annexure referred to above, I report that:
 - a) I 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 My 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 My 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, 2011 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March, 2011 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 My opinion and to the best of My 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, 2011; and
 - ii. In the case of the Profit and Loss Account, of the profit 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 : 1st July, 2011



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, 2011.

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 normal clause.
8. I 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 undisputed 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, 2011

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



SHEETAL DIAMONDS LIMITED

10. As per Information given to Us

The Income tax demand for A.Y.1996-97,1997-98, & 1998-99 along with interest & penalty have been fully deleted by Honorable it at as per the order dated.23.03.2011 & 04.05.2011. the appeal for penalty of Rs.13,69,656/-for A.Y.2001-02 is pending before CIT (A)

11. The Clause of accumulated losses etc is not applicable to the company.
12. since no loan has been obtained from any Bank by the Company this clause is not applicable.
13. Company has not granted loans & Advances on the basis of security etc. hence no discrepancies thereof arise.
14. The Provisions of Nidhi / Mutual benefit Fund/ Society etc. are not applicable to the Company.
15. 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.
16. Company has not given any Guarantee for loans taken by others and hence other provision are not applicable.
17. 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.
18. 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.
19. No preferential Allotment of shares etc. has been made by the Company; hence other clauses are not applicable.
20. No Debentures are issued by the Company.
21. The company has not raised money by Public issue.
22. 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 KAMLESH B.MEHTA & CO.
CHARTERED ACCOUNTANTS
Sd/-

Place : Mumbai
Date : 1st July, 2011

Kamlesh B.Mehta
(Proprietor)

Member Ship No.36323



SHEETAL DIAMONDS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2011

<u>I SOURCES OF FUND</u>		<u>SCHEDULE</u>	Amount in Rs.	
			<u>31.03.2011</u>	<u>31.03.2010</u>
Share Capital		1	50,000,000	50,000,000
Reserve & Surplus		2	11,425,037	11,535,390
			<u>61,425,037</u>	<u>61,535,390</u>
<u>II APPLICATION OF FUNDS</u>				
1 FIXED ASSETS :		3		
	Gross Block		516,902	481,552
	Less : Depreciation upto date		<u>444,910</u>	<u>437,491</u>
	Net Block		71,992	44,061
2 INVESTMENTS		4	40,705,000	40,705,000
3 CURRENT ASSETS, LOANS & ADVANCES		5		
	a Inventory		139,825	1,449,768
	b Sundry Debtors		7,597,849	8,361,062
	c Cash and Bank Balance		42,274	63,318
	d Loan and Advances		<u>14,570,000</u>	<u>13,480,810</u>
			22,349,948	23,354,958
4 LESS CURRENT LIABILITIES & PROVISION		6	1,975,438	2,872,557
	Net Current Assets		<u>20,374,510</u>	<u>20,482,401</u>
5 MISCELLANEOUS EXPENDITURE		7	273,535	303,928
(to the extent not written off or adjusted)			<u>61,425,037</u>	<u>61,535,390</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

For and on behalf of the board of Directors

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

Place : Mumbai
Date : 1st July, 2011

Place : Mumbai
Date : 1st July, 2011



SHEETAL DIAMONDS LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH 2011

<u>I. INCOME</u>	<u>SCHEDULE</u>	Amount in Rs.	
		<u>31.3.2011</u>	<u>31.3.2010</u>
Sales	8	6,964,055	3,712,507
Increase / (Decrease) Stock	9	(1,309,943)	1,299,948
		5,654,112	5,012,455
<u>II. EXPENDITURES</u>			
Material consumed & Purchase	10	4,957,234	4,314,972
Operating & Establishment Cost	11	622,713	623,735
Preliminary & Preoperative Expenses		30,393	33,770
Depreciation		7,419	14,962
		5,617,759	4,987,439
PROFIT / (LOSS) BEFORE TAXATION		36,353	25,016
Provision for Taxation		9,500	-
Prior Period Expenses		8,194	-
PROFIT / (LOSS) AFTER TAXATION		18,659	25,016
Available for appropriation			
Interim Dividend			
Proposed Dividend			
PROFIT / (LOSS) CARRIED TO BALANCE SHEET		18,659	25,016

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

For and on behalf of the board of Directors

Sd/-

Vinod T. Shah
Managing Director

Sd/-

Niranjan P. Vyas
Director

Place : Mumbai

Date : 1st July, 2011

Place : Mumbai

Date : 1st July, 2011



SHEETAL DIAMONDS LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011

		Amount in Rs.	
		31.03.2011	31.03.2010
1	SHARE CAPITAL		
	Authorised :		
	60,00,000 Equity Share of Rs. 10/- Each	60,00,000	60,00,000
	(Previous Year 60,00,000 Equity share of Rs. 10/- Each)		
		<u>60,00,000</u>	<u>60,00,000</u>
	ISSUED SUBSCRIBED & PAID UP		
	50,00,000 Equity Share of Rs. 10/- each fully paid up.	50,00,000	50,00,000
	(Previous Year - 50,00,000 Equity Share of Rs. 10/- each fully paid up)		
		<u>50,00,000</u>	<u>50,00,000</u>
2	RESERVE & SURPLUS		
	As per last Balance Sheet	11,535,390	11,510,374
	Add : Amount transferred from Profit & Loss A/c.	18,659	25,016
	Less : TDS and Bank interium Dividend	29,012	
		<u>11,425,037</u>	<u>11,535,390</u>

SCHEDULE "3"

FIXED ASSETS FOR THE YEAR 2010-2011

FIXED ASSETS FOR THE YEAR 2010-2011										Amount in Rs.	
		Gross Block				DEPRECIATION				Net Block	
Sl. No.	Description	As At 01.04.2010	Additi on during the year	Deductio n	As at 31.03.2011	Upto 01.04.2010	For the Year 2010-2011	Total Depreciati on till date	Up to 31/3/2011	As on 31.03. 2011	As on 31.03.2010
1	Eureka Forbes	5990	0	0	5990	4341	1192	0	5533	457	1649
2	Vehicles	475562	0	0	475562	433151	5762	0	438913	36649	42411
3	Computer	0	26750	0	26750	0	352	0	352	26398	0
4	Epson Printer	0	8600	0	8600	0	113	0	113	8487	0
	TOTAL	481552	35350	0	516902	437492	7419	0	444911	71991	44060
	Prv . Year	481552	0	0	481552	422570		0	437492	44061	59022

4	INVESTMENTS :		
	Share (Unquoted)	40,70,000	40,70,000
	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	139,825	144,9768
	(At lower of cost of Market Value)		
		<u>139,825</u>	<u>1,449,768</u>
	B SUNDRY DEBTORS :		
	(Unsecured, Considered Good)		
	Over six months	7,597,489	8,361,062
	Others	-	
		<u>7,597,489</u>	<u>8,361,062</u>
	C CASH AND BANK BALANCE		
	Cash on hand	30,893	7,425
	Balance with Scheduled Banks	11,380	55,893
		<u>42,273</u>	<u>63,318</u>
	D LOAN AND ADVANCES :		
	(Unsecured, Considered Good)		
	Advance recoverable in cash or in kind	14,570,000	13,370,000
	Or for value to be received		
	Advanced Tax	-	110,810
		<u>14,570,000</u>	<u>13,480,810</u>
6	CURRENT LIABILITIES AND PROVISION ;		
	Current Liabilities	39,082	
	Sundry Creditors	1,916,857	2,862,557
	Audit Fee Payable	10,000	10,000
	Provision for Taxation	9,500	-
	Listing Fees	<u>1,975,439</u>	<u>2,872,557</u>
7	MISCELLANEOUS EXPENDITURE :		
	Preliminary Expenses	303,928	337,698
	Less : Written off during the year	30,393	33,770
		<u>273,535</u>	<u>303,928</u>



SHEETAL DIAMONDS LIMITED

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

		Amount in Rs.	
		<u>31.03.2011</u>	<u>31.03.2010</u>
8 SALES :			
	Diamond & Diamond Jewellery	6,964,055	3,712,507
		<u>6,964,055</u>	<u>3,712,507</u>
9 INCREASED / (DECREASED) IN STOCK :			
	<u>Polished Diamonds</u>		
	Opening Stock	1,449,768	149,820
	Closing Stock	139,825	1,449,768
		<u>(1,309,943)</u>	<u>1,299,948</u>
10 MATERIAL CONSUMED & PURCHASE:			
	Opening Stock	-	-
	Purchase of Raw Material-Diamond & Gold Jewellery	4,568,619	3,045,616
	Purchase of Raw Material- MCX Gold Gini	-	-
	Add : Direct Expenses	388,615	1,269,356
	Less : Sale of Raw Materials	-	-
		<u>4,957,234</u>	<u>4,314,972</u>
11 OPERATING AND ESTABLISHMENT COST :			
	Advertisement Expenses	-	28,551
	Courier Charges	86,913	60,897
	Electricity Charges	14,285	15,365
	Internet Charges	3,250	16,435
	Sitting fees	12,500	7,500
	Printing & Stationery Charges	19,296	30,284
	Rent	98,268	98,134
	VAT Expenses	979	18,442
	Salaries	124,821	129,057
	Bank Charges	6,509	2,331
	Audit Fees	10,000	10,000
	Conveyance Expenses	10,190	-
	Miscellaneous Expenses	16,085	65,545
	CDSL/NSDC Charges	13,378	12,861
	Legal & Professional charges	98,964	80,000
	Telephone charges	869	19,674
	R & T Expenses	20,403	16,545
	Listing Fees	86,003	12,114
		<u>622,713</u>	<u>623,735</u>



SHEETAL DIAMONDS LIMITED

SHEETAL DIAMONDS LIMITED

NOTES TO THE ACCCOUNTS:

Notes annexed to and forming part of the Balance as 31st March, 2011 and Profit and Loss Accounted for the year ended 31st March, 2011.

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 and Labour 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>2010-11</u> 50,00,000	<u>2009-10</u> 50, 00,000
ii) Net Profit / (Loss) after Tax available for equity share holders	18,659	25,016
iii) Diluted earning per share	0.004	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>2010-11</u>	<u>2009-10</u>
Audit Fee	Rs. 10,000/-	Rs. 10,000/-
(including Service Tax)		
	-----	-----
Total	Rs. 10,000/-	Rs. 10,000/-
	=====	=====

9. 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).

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

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

	Amount in Rs.	
	31.3.2011	31.3.2010
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

Amount in Rs.

12. Earning in Foreign Exchange.
Fob Value of Exports

31.3.2011	31.3.2010
8,66,340	NIL



SHEETAL DIAMONDS LIMITED

13. Amount due to Small Scale Industries Rs. NIL as on 31/03/11.

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>Quantity</u>		<u>Rs. In lacs</u>
	<u>Diamond</u>	<u>Gold</u>	<u>2010/2011</u>	<u>Diamond</u>	<u>Gold</u>	<u>2009/2010</u>
	<u>Cts</u>	<u>gms</u>		<u>Cts</u>	<u>gms</u>	
Opening stock	33.93	28651.938	14.49	3.45	287.820	1.49
Purchases	480.95	-	45.69	216.94	33538.042	30.32
Closing Stock	11.26	1275.305	1.40	33.93	28651.938	14.49
Turnover	503.62	27376.633	58.78	186.46	5173.924	37.12
Transfer	-	-	-	-	-	-
Closing stock	11.26	1275.305	1.40	33.93	28651.938	14.49

3. Raw materials consumed :

Rough diamonds	NIL	NIL
----------------	-----	-----

4. Value of Imports Calculated

On C.I.F. basis	<u>2010/2011</u>	<u>2009/2010</u>
	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 salary	NIL	NIL
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SHEETAL DIAMONDS LIMITED

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

I.	Registration Details																			
	Registration No.					8	3	9	4	5	State Code						1	1		
			3	1	-	0	3	-	1	1										
			Date		Month		Year													
II.	Capital Raised During the Year (Amount in Rs. Thousands)																			
	Public Issue							N	I	L	Right Issue						N	I	L	
	Bonus Issue							N	I	L	Private Placement						N	I	L	
III.	Position of Mobilization and Deployment of funds (Amount in Rs. Thousands)																			
	Total Liabilities					6	1	4	2	5	Total Assets				6	1	4	2	5	
	Sources of Funds																			
	Paid up Capital					5	0	0	0	0	Reserve & Surplus				1	1	4	2	5	
	Secured Loans							N	I	L	Unsecured Loans						N	I	L	
	Deferred Tax (Net)							N	I	L										
	Application of Funds																			
	Net Fixed Assets								7	2	Investments				4	0	7	0	5	
	Net Current Assets					2	0	3	7	4	Misc. Expenditure						2	7	4	
	Accumulated Losses							N	I	L										
IV.	Performance of Company (Amount in Rs. Thousand)																			
	Turnover & Including Other Income						6	9	6	4	Total Expenditure					5	6	1	8	
	Profit before Tax								3	6	Profit After Tax							1	9	
	Earning Per Share (Rs.)								N	I	L	Dividend Rate						N	I	L
V.	Generic Name of three Principal Products/Services of Company (As per Monetary Terms)																			
	Item Code No. (ITC Code)		7	1	-	0	2	3	9	.	0	1								
	Product Description		CUT AND POLISH DIAMONDS																	

Signature to schedule 1 to 12

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 : 1ST July, 2011

For and on behalf of the board of Directors

Sd/-
Vinod T. Shah
Managing Director

Sd/-
Niranjan P. Vyas
Director

Place : Mumbai
Date : 1ST July, 2011



SHEETAL DIAMONDS LIMITED

AUDITORS REPORT

To,
The Board of Directors
SHEETAL DIAMONDS LIMITED
Mumbai,

I have examined the above cash flow statement of **SHEETAL DIAMONDS LIMITED** for the year ended 31st March, 2011 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 my 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 : 1st July, 2011

Member Ship No.36323



SHEETAL DIAMONDS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

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

Amount in Rs.

		31st MARCH 2011	31st MARCH 2010
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net profit before Taxation and Extra- Ordinary Items		18,658	25,016
Adjustments for :			
Preliminary Expenses Written Off		30,392	33,770
Depreciation		7,419	14,962
Op. Profit before Working Capital Charges		56,469	73,748
Adjustments for:			
Increase Trade and Other Receivables	763213		
Increase in Inventories	1309943		
Increase in Trade Payable	-897119	1,176,037	
Cash Generated from Operation		1,232,506	73,748
Prior Period expenses - Listing Fees		-	-
Cash Flow before Extraordinary Items			
Transfer to Differed Tax Liability Reserve		-	-
NET CASH FROM OPERATING ACTIVITIES		1,232,506	73,748
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	-35350	-	-
Increase in advances	-1200000	-	-
Sale of Investment	0	(1,235,350)	-
NET CASH USED IN INVESTING ACTIVITIES		(1,235,350)	-
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from issue of Share Capital		-	-
Proceeds from long Term Borrowing		-	-
NET CASH USED IN FINANCING ACTIVITIES		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		(2,843)	73,748
Cash and Cash Equivalents as at (Opening Balance)		45,116	60,114
Less: Cash and Cash Equivalents as at (Closing Balance)		42,273	63,318
NET INCREASE AS DISCLOSED ABOVE		2,843	(3,204)

AS PER OUR REPORT OF EVEN DATE

FOR KAMLESH B. MEHTA & CO
(CHARTERED ACCOUNTANTS)

For and on behalf of the board of Directors

Sd/-

Sd/-

Sd/-

(KAMLESH B. MEHTA)
PROPRIETOR.

Vinod T. Shah
Managing Director

Niranjan P. Vyas
Director

Member Ship No.36323

PLACE : MUMBAI

DATED : 1ST JULY, 2011

PLACE : MUMBAI

DATED : 1ST JULY, 2011

