



# SHEETAL DIAMONDS LIMITED

Registered Office

**Diamond & Diamond Jewellery Manufactures & Exporters**

Office No. BW-2030 , Bharat Diamond Bourse , Bandra Kurla Complex , Bandra (E) , Mumbai-400 051 (INDIA)

Tel. : 91-22-40102666 Email : [sheetaldiamond@gmail.com](mailto:sheetaldiamond@gmail.com) Website : [www.sheetaldiamonds.com](http://www.sheetaldiamonds.com)

CIN NO L56912MH1994PLC083945

**Dated:** 28<sup>th</sup> September, 2016

**To,**  
**The Manager, DCS**  
**Bombay Stock Exchange Limited**  
P. J. Towers, 2<sup>nd</sup> Floor,  
Dalal Street, Mumbai – 400 001

Sir,  
**Scrip Code:** 530525  
**Sub:** Submission of Annual Report for 2016

We hereby Enclosed Approved Annual report of Sheetal Diamond Limited for the 22<sup>nd</sup> Annual General Meeting

Kindly take the above on your record and acknowledge the receipt.

Thanking You,  
Yours Truly,  
For Sheetal Diamonds Limited

Vinod Trikamlal Shah  
(01859634)





**22<sup>nd</sup>**

**ANNUAL REPORT**

**2015-2016**



# SHEETAL DIAMONDS LIMITED

**BOARD OF DIRECTORS:**

SHRI VINOD T. SHAH  
SHRI NIRANJAN P.VYAS  
SHRI PANKAJ V. SHAH

Managing Director  
Director  
Director

**AUDITORS:**

HARDIK H. SHAH & ASSOCIATES  
CHARTERED ACCOUNTANTS, MUMBAI

**CONSULTANT:**

SHARAVAN A. GUPTA & ASSOCIATES  
COMPANY SECRETARIES, MUMBAI

**BANKERS :**

AXIS BANK, BDB BRANCH,

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**REGISTERED OFFICE:**

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

**SHARE REGISTRAR & TRANSFER AGENT:**

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



# SHEETAL DIAMONDS LIMITED

## NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of **SHEETAL DIAMONDS LIMITED** will be held on Wednesday, the 28<sup>th</sup> day of September, 2016 at 11.00 a.m. at Park View, 37 Lallubhai Park Road, Andheri (west), Mumbai- 400058 to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' and Auditors' reports and Audited Balance Sheet as at 31<sup>st</sup> March, 2016 and Statement of Profit and Loss for the year ended on that date.
2. To appoint a Director in place of Mr. Vinod Trikamlal Shah (01859634) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Hardik H. Shah & Associate, Chartered Accountants, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### Notes :

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than Forty-eight hours before the commencement of the Meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books shall remain closed from Friday, 23<sup>rd</sup> September, 2016 to Wednesday, 28<sup>th</sup> September, 2016 both days inclusive.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate immediately any change in their address or bank mandates immediately to the Company.
8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
9. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.
10. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 22<sup>nd</sup> Annual General Meeting of the Company.
11. The e-voting period begins on Saturday, 24<sup>th</sup> September, 2016 at 9.00 a.m. and ends on Tuesday, 27<sup>th</sup> September, 2016 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September, 2016, may cast their vote electronically. Thereafter the e-voting module shall be disabled by CDSL for voting.
12. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21<sup>st</sup> September, 2016.
13. A copy of this notice has been placed on the website of the Company and the website of CDSL.
14. M/s. Shraavan A Gupta & Associates, Practicing Company Secretary (Certificate of Practice Number 9990) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
15. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services Limited, on all resolutions set forth in this notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24<sup>th</sup> September, 2016 at 9.00 a.m. and ends on 27<sup>th</sup> September, 2016 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September,



# SHEETAL DIAMONDS LIMITED

2016. may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Now, select the “Sheetal Diamonds Limited” form the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

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

In case of member receiving the physical copy:

- (A) Please follow all steps from sl. no.(i) to sl. No (xviii) above to cast vote.
- (B) The voting period begins on 24<sup>th</sup> September, 2016 at 9.00 a.m. and ends on 27<sup>th</sup> September, 2016 at 6.00 p.m.. During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21<sup>st</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



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

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

1. The resolutions proposed will be deemed to have been passed on the date of AGM subject to receipt of number of votes in favour of the resolutions.
2. M/s. Shraavan A Gupta & Associates, Practicing Company Secretary, (Membership No.: ACS 9990) has been appointed as the Scrutinizer to scrutinize the e-voting process.
3. In terms of Clause 35B of the Listing Agreement, those members, who do not access to e-voting facility, may send their assent or dissent in writing on the Ballot Form sent along with this AGM Notice so as to reach the Scrutinizer at the Address- M/s. Shraavan A. Gupta & Associates, Practicing Company Secretary, (Membership No.: ACS 9990) Room no ¼ Ram Sumer Gupta House, Goreswadi, S.V. Road Malad West Mumbai - 400064 on or before 28<sup>th</sup> September, 2016. Any Ballot Form received after 1.00 p.m. on 28<sup>th</sup> September, 2016 will be treated as the reply from the member has not been received.
4. Voting will be provided to the members through e-voting and / or at the venue of the Meeting. A member can opt for only one mode of voting i.e. either through e-voting or ballot. If a member cast votes by both modes, then voting done through e-voting shall prevail and the ballot shall be treated as invalid.
5. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company’s Registered office on all working days of the Company between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting except Saturday, Sundays and Public holidays.
6. Members/Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.

**For and on behalf of the board of Directors**

**Sd/-**  
**Vinod T. Shah**  
Managing Director  
**DIN 01859634**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016

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



# SHEETAL DIAMONDS LIMITED

Details in respect of the Directors, seeking re-appointments / appointment required to be provided pursuant to Regulation 30 of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 are also annexed hereto

<b>Sr. No.</b>	<b>Particulars</b>	
1)	Name of the Director	Mr. VINOD TRIKAMLAL SHAH
2)	Date of Birth	25/04/1954
3)	Date of Appointment	10/01/2007
4)	Expertise in specific areas	Business & Marketing
5)	Qualifications	S.S.C.
6)	Number of Shares held in Sheetal Diamonds	171000
7)	Directorship in other Companies	Nil
8)	Membership of Committees in other Public Limited Companies:	Nil



# SHEETAL DIAMONDS LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
Your Directors presents their 22<sup>nd</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

### STATE OF COMPANY'S AFFAIRS:

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

### FINANCIAL PERFORMANCE:

Particulars	(Rs. in Lacs)	
	Standalone	
	March 2016	March 2015
Income from operation	995.84	383.44
Other Income	0.48	0.98
Total Income	996.32	384.42
Profit/(loss) before Interest, Depreciation, Tax and Exceptional Items	1000.68	3.93
Less Interest Expenses	--	--
Less Depreciation	(6.12)	(6.58)
Less Exceptional Items	--	--
Profit/(loss) before Tax	(226.23)	(2.65)
Less Provision for Taxation	--	--
Net Profit/(Loss) after Tax	(225.23)	(2.65)

During the financial year 2015-16 the total income Increased by 159.17% to Rs. 996.33 lacs as compared to last year's total income of Rs. 384.42 lacs. Loss Occurred of Rs. 226.23 lacs due to Write off Investment of Company.

### DIVIDEND AND BOOK CLOSURE

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

The register of members and share transfer books will remain close from **23<sup>rd</sup> September, 2016 at 9.00 a.m. and ends on 27<sup>th</sup> September, 2016 at 6.00 p.m** (both days inclusive) for the 22<sup>nd</sup> Annual General Meeting of the Company scheduled to be convened on 28th September, 2016 at **Park View, 37 Lallubhai Park Road, Andheri (west), Mumbai- 400058**.

### FINANCIAL SITUATION

#### Reserves & Surplus

As at March 31, 2016 Reserves and Surplus amounted to Rs. (151.93 lacs) as compared to Rs.74.30 lacs of previous year. The said scenario is due to Investment Write-off during the year under review and contribution of losses by the company.

#### Long Term Borrowings

There has been no change in the Long Term Borrowings to Rs.9.80 compared to Rs.9.80 lacs as at March 31, 2016.

#### Short Term Borrowings

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

#### Fixed Asset

Net Fixed Assets as at March 31, 2016 have reduced to Rs.19.74 lacs as compared to Rs. 25.82 lacs in the previous year.

#### Investments

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

### SHARES CAPITAL

#### Authorised Capital

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

#### Equity Shares

The paid up Equity share capital of the Company as on March 31, 2016 was Rs.5,00,00,000/- (Rupees Five Crores) comprising of 50,00,000 (Rupees Fifty Lacs ) equity shares of Rs. 10/- each.





# SHEETAL DIAMONDS LIMITED

## **MEETINGS BOARD OF DIRECTORS**

The Board normally meets once in a quarter and additional meetings are held as and when required. During the year, the Board of Directors met 4 times i.e. on May 28<sup>th</sup>, 2015, August 12, 2015, October 26<sup>th</sup>, 2015 & February 12, 2016. The dates of Board Meetings were generally decided in advance with adequate notice to all Board Members.

## **INDEPENDENT DIRECTORS**

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

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

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

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

## **AUDIT COMMITTEE**

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

## **EVALUATION OF PERFORMANCE OF BOARD**

During the year a separate Meeting of Independent Directors of the Company was held on 28th March, 2016, which was attended by all the Independent Directors to discuss and review the self assessment of Directors, Board and Committees thereof and also assess the quality, content and timeliness of flow of information between the Management and the Board.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

The Board of Directors confirms that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating

## **CORPORATE GOVERNANCE:**

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

In compliance with Listing Obligation & Disclosure Regulations, 2015 entered into with the Stock Exchanges, a Report on the Corporate Governance, along with the certificate from the Statutory Auditors of the Company on compliance with the provisions of the said Clause is annexed and forms part of the Annual Report.



# SHEETAL DIAMONDS LIMITED

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

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

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

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

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

Since the Company does not own any manufacturing facility or unit, hence disclosures in this regard not required. The particulars with respect to conservation of energy, technology absorption being not relevant, have not been given. During the year the foreign exchange earnings were Rs. 8,11,79,165.

## **MATERIAL CHANGES AND COMMITMENTS**

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

## **EXTRACT OF ANNUAL RETURN**

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

## **CORPORATE SOCIAL RESPONSIBILITY**

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

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

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

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

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

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

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

## **MANAGERIAL REMUNERATION AND RELATED DISCLOSURES**

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

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

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



# SHEETAL DIAMONDS LIMITED

## **SUBSIDIARY COMPANIES**

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

## **SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act, 2013 and rules, amendments made there under, Mr. Shravan A Gupta, Practicing Company Secretary was appointed to conduct the secretarial audit of our company for FY 2015-16. The Secretarial Audit report is given separately under **Annexure IV**.

## **HUMAN RESOURCES**

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

## **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.**

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

## **RISK MANAGEMENT**

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

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

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

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

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

## **POLICY FOR SEXUAL HARRASMENT**

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

## **ACKNOWLEDGEMENTS**

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

**For and on behalf of the board of Directors**

Sd/-

**Vinod T. Shah**  
Managing Director  
DIN 01859634

Place : Mumbai  
Date : 30<sup>th</sup> May, 2016



# SHEETAL DIAMONDS LIMITED

## ANNEXURE TO THE DIRECTOR'S REPORT CORPORATE GOVERNANCE REPORT

### **A. Company Philosophy On Corporate Governance:**

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

### **B. Board Of Directors:**

The Board of Directors comprises of One Executive Directors (ED) and Three Non-executive Directors.

During the financial year 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, 4 (Four) Board Meetings were held on May 28<sup>th</sup>, 2015, August 12, 2015, October 26<sup>th</sup>, 2015 & February 12, 2016.

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	4	YES	NIL	NIL	NIL
Mr. Niranjan P Vyas	IND - NED	4	YES	NIL	NIL	NIL
Mr. Pankaj V. Shah	IND – NED	4	YES	NIL	NIL	NIL
Mrs. Nita P. Shah	IND – NED	4	YES	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 Regulation 17 of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 is made available to the Board in every meeting.

### **C. Code of Conduct:**

The Company has adopted a Code of Conduct for its Directors and Senior Management in compliance with Regulation 17 of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. The code is derived from three interlinked fundamental principles; viz. good corporate governance, good corporate citizenship and exemplary personal conduct and it is applicable to all Directors and Senior Management of the Company. The Board members and Senior Management personnel have affirmed their compliance with the code of conduct and a CEO certificate to the effect is annexed to this corporate governance report. The said code of conduct is posted on the web site of the Company

### **D. Audit Committee:**

The Audit Committee met 4 times in the financial year on May 28<sup>th</sup>, 2015, August 12, 2015, October 26<sup>th</sup>, 2015 & February 12, 2016 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. Pankaj V. Shah	Independent – Non Executive Director	Chairman
Mr. Vinod T. Shah	Managing Director	Member
Mr. Niranjan P. Vyas	Independent – Non Executive Director	Member

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	4	4
Mr. Niranjan P. Vyas	4	4
Mr. Pankaj V. Shah	4	4

### **Terms of Reference**

The terms of reference, powers and role of Audit Committee are in accordance with Regulation 18 of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 read with Section 177(4) of the Companies Act, 2013. The broad terms of reference includes the following:

- 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;
- 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:
  - matters required to be included in the Director's Responsibility Statement which form part of the Board's



# SHEETAL DIAMONDS LIMITED

- reporting in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;;
- (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);
  - 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.

## E. Nomination & Remuneration Committee

The Nomination & Remuneration Committee presently comprises of Mr. Vinod T. Shah, Mr. Pankaj V Shah Chairman & Mr. Niranjan P. Vyas as its members. The terms of reference of Nomination & Remuneration Committee involves determination on the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment. It also includes recommendation on revision of remuneration of top executives below the Board of Directors, granting and administration of Employees Stock Options, etc. The minutes of the Nomination & Remuneration Committee meetings are reviewed and noted by the Board from time to time.

The Company does not have any Employee Stock Option Scheme.

During the year 2015-2016, Company was not required to hold Nomination & Remuneration Committee meeting.

## Details of Remuneration to Directors

Non-executive Directors are paid a sitting fees within the ceiling prescribed under the Companies Act, 2013 for attending meetings of the Board, Audit and other committee meetings. Details of remuneration paid to the Directors during the Financial Year 2015-16 is as follows:

Director	Sitting Fees (Rs.)	Salaries, Perquisites & Contribution to funds (Rs.)	Commission (Rs.)
Mr. Pankaj V. Shah	6,000/-	Nil	Nil
Mr. Vinod T. Shah	Nil	4,80,000/-	Nil
Mr. Niranjan P. Vyas	5,000/-	Nil	Nil
Mrs. Nita P. Shah	6,000/-	Nil	Nil



# SHEETAL DIAMONDS LIMITED

## F. Share Transfer Committee/Investor Grievance Committee:

The Board has constituted the Share Transfer Committee, with the one Executive Director as member 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. Niranjan P. Vyas and Mr. Pankaj V. Shah till date.

Mr. Vinod T. Shah	Managing Director	Chairman
Mr. Niranjan P. Vyas	Independent – Non Executive Director	Member
Mr. Pankaj V Shah	Independent – Non Executive Director	Member

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	4	4
Mr. Niranjan P. Vyas	4	4
Mr. Pankaj V Shah	4	4

## G. Stakeholder Relationship Committee

The Stakeholder Relationship Committee comprises of Mr. Pankaj V Shah Independent Director as its Chairman, Mr. Niranjan P. Vyas and Mr. Vinod T Shah as its members. The Company Secretary acted as the Compliance Officer. The minutes of the Stakeholder Relationship Committee meetings are reviewed and noted by the Board from time to time. The Chairman of the Stakeholder Relationship Committee was present at the previous Annual General Meeting held on September 28, 2015.

The Stakeholder Relationship Committee deals with the matters relating to delay, if any in transfer of shares, demat, non-receipt of annual account, split, duplicate, transmission etc. of the shares issued by the Company. The Secretarial Department of the Company, under the supervision of the Company Secretary, who is also nominated by the Company as the “Compliance Officer” as required under SEBI Regulations/ Listing Agreement, and the Registrar and Share Transfer Agent, M/s. Purva Shareregistry Pvt. Ltd., attend to all grievances of the Shareholders and the investors. The Company and M/s. Purva Shareregistry Pvt. Ltd, are making further attempts to ensure that the grievances are expeditiously addressed and redressed to the full satisfaction of the Stakeholders.

All the complaints have been resolved and as on March 31, 2016 no complaint from stakeholder is pending. At the end of the year, no requests for shares transfers were pending for registration.

During the year under review, the Committee met on May 28<sup>th</sup>, 2015, August 12, 2015, October 26<sup>th</sup>, 2015 & February 12, 2016

Name	Category	Meetings during the year 2014-15	
		Held	Attended
Mr. Vinod T. Shah	Managing Director	4	4
Mr. Niranjan P. Vyas	Non-Executive Independent Director	4	4
Mr. Pankaj V Shah	Non-Executive Independent Director Chairman	4	4
Ms. Nita P. Shah	Non-Executive Independent Director	4	4

## H. Risk Management Committee

The Board of Directors at its meeting held on May 28, 2015 had constituted a Risk Management Committee comprising of Mr. Niranjan Vyas as, Mr. Pankaj V. Shah as its members. The Company has earlier in place mechanisms to inform the Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk through means of a properly identified framework. The risk management issues are discussed in Management Discussion & Analysis. Risk management is an ongoing process and the Committee will periodically review risk mitigation measures, earlier Audit Committee was reviewing the same.

## I. Subsidiary Companies:

The Company has no Subsidiary hence no disclosure required to be made.

## J. Related Party Transactions:

Details of significant related party transactions, i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their subsidiary companies or relatives, etc. as per Accounting Standard 18 “Related Party Disclosures” are presented under Note 27 of the Balance Sheet. All material transaction (Financial and/or Commercial) where Directors may have potential interest are provided to the Audit Committee/Board. The related parties neither participate nor vote on such matters. During the year under review there were no related party transactions of material nature that may have a potential conflict with interests of the Company, all transactions with related parties were in the normal course of business. The Company was not required to take omnibus approval of Audit Committee, as most of the related party transactions were entered by the Company with its Associate Companies at arm’s length basis and place before the Shareholders at every Annual General Meeting for their approval. On recommendation of Audit Committee the Board ratifies all the related party transactions on quarterly basis.

## K. Trading In The Company’s Shares By Directors And Designated Employees

Persuant to new SEBI (Prohibition of Insider Trading) Regulations, 2016, the Company is required to have a Compliance Officer who is a senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information. All the Directors on the Board, employees at Senior Management levels at all locations and other designated employees who could be privy to unpublished price sensitive information of the Company are governed by this code. All the Directors, Employees at Senior Management levels and other designated employees of the Company are restricted from entering into opposite transactions i.e. buy or sell any number of shares during the next 6 months following the prior transactions.



# SHEETAL DIAMONDS LIMITED

## L. Proceeds from Public Issues, Rights Issue, Preferential Issues, etc.

During the year the Company had not made any issue / allotment of any kind of security.

## M. CEO/CFO Certification

As required under Listing Obligation & Disclosure Regulations, 2015 with the Stock Exchanges, Mr. Vinod T Shah – Managing Director & Mr. Pankaj V. Shah Director of the Company, had certified to the Board the financial statements for the year ended March 31, 2016.

## Name and Designation of Compliance Officer:

Mr. Vinod T. Shah - Managing Director

## N. GENERAL BODY MEETINGS:

Financial Year	Date	Location of the Meeting
1 <sup>st</sup> April, 2012 to 31 <sup>st</sup> March, 2013	14.09.2013	Office No. 8, First Floor, Sitaram Niwas, 1 <sup>st</sup> Bhatwadi, j.s.s.Road, Opera House, Mumbai-400 004
1 <sup>st</sup> April, 2013 to 31 <sup>st</sup> March, 2014	26.09.2014	Park View, 37 Lallubhai Park Road, Andheri (west), Mumbai- 400058
1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	28.09.2015	Park View, 37 Lallubhai Park Road, Andheri (west), Mumbai- 400058

## O. DISCLOSURES:

- None of the Directors are related to each other.
- During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets.
- The Company currently has adopted a Whistle Blower policy.
- Senior management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large.
- In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- In line with the requirements of SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a firm of practicing Company Secretaries to confirm that the aggregate number of equity shares of the Company held in NSDL and CDSL and in physical form, tally with the total number of issued/paid-up, listed and admitted capital of the Company.
- The Company is fully compliant with the applicable mandatory requirements of Listing Obligation & Disclosure Regulations, 2015 with the Stock Exchanges and adoptions of non mandatory requirements under Listing Obligation & Disclosure Regulations, 2015 are being reviewed periodically.
- Although it is not mandatory, the Board of Directors of the Company has constituted a Borrowing Committee, the details of which have been provided under Section 'Borrowing Committee.'

## P. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from the Statutory Auditors testifying to the compliance with the provisions relating to Corporate Governance laid out as per Listing Obligation & Disclosure Regulations, 2015 with the Stock Exchanges. The Certificate is annexed to this Report and the same will be sent to the Stock Exchanges along with the Annual Report.

## Q. 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.

## R. GENERAL SHAREHOLDER INFORMATION:

<b>i) Annual General Meeting:</b>	
Date	September 28th, 2016
Time	11.00 A.M.
Venue	Park View, 37 Lallubhai Park Road, Andheri (west), Mumbai- 400058
<b>ii) Financial Calendar:</b>	
Financial Year	April 1 to March 31
<b>Financial reporting of results:</b>	
a. Quarterly unaudited results/	Within forty five days from the end of the quarter
b. Annual audited results	Within sixty days from the end of the quarter
<b>iii) Book Closure date</b>	From : September 23, 2016 To : September 28, 2016 (both days inclusive)
<b>iv) Last Date of Receipt of Proxy</b>	September 26, 2016 before 4.00 p.m. at the Registered Office of the Company
<b>iv) Listing on Stock Exchanges and Scrip Code</b>	BSE Limited (Code: 530525)
<b>v) Demat ISIN No. for Equity Shares</b>	INE786J01017
<b>Corporate Identification Number (CIN) of the Company</b>	L56912MH1994PLC083945
<b>vi) Market price data</b>	Monthly high & low quotations of shares traded at Bombay Stock Exchange Limited for the year 2015- 2016:



# SHEETAL DIAMONDS LIMITED

The monthly High, Low stock prices during the financial year 2015-2016 are as follows:-

Month	Bombay Stock Exchange		
	High	Low	Total Turnover Rs.
April, 2015	5.53	2.99	1,66,928
May, 2015	5.97	5.64	1,70,068
June, 2015	5.68	4.56	13,952
July, 2015	4.78	4.1	28,538
August, 2015	5.97	3.9	15,232
September, 2015	6.56	6.26	12
October, 2015	6.24	6.24	280
November, 2015	5.93	5.64	2,49,145
December, 2015	5.36	5.35	267
January, 2016	5.25	4.5	9
February, 2016	5.31	4.5	11
March, 2016	5.32	3.3	1,85,184

Source: BSE Website

**Registrar & Transfer Agents**

M/s. Purva Share Registry India Private Limited  
9 Shiv Shakti Industrial Estate, J.R. Boricha Marg, Kasturba Hospital Lower Parel, Mumbai – 400 011  
Phone : 022-23018261/6761 Fax : 022-23012517  
Email : [basicomp@vsnl.com](mailto:basicomp@vsnl.com)  
Website : [www.purvashare.com](http://www.purvashare.com)

**Share Transfer System**

Share transfers in physical form have to be lodged with the Registrar and Transfer Agents. All shares received for transfer are registered and returned within a period of thirty days from the date of lodgment, provided the documents are valid and complete in all respects.

In accordance with the SEBI guidelines, the Company offers the facility of transfer-cum-demat to shareholders after share transfers are affected in physical form.

**Distribution of shareholding as on March 31, 2016**

No. of Shareholders	% to Total	Holder of shares	Amount in Rs.	% to Total
1010	65.58	Upto 5000	21,47,830	4.31
190	12.34	5001-100000	15,90,940	3.18
95	6.17	10001-200000	14,67,740	2.94
120	7.79	20001-300000	30,00,210	6.00
23	1.49	30001-400000	8,12,410	1.62
18	1.17	40001-500000	8,84,590	1.77
26	1.69	50001-1000000	18,48,430	3.70
58	3.77	100001 and Above	3,82,47,850	76.50
<b>1,540</b>	<b>100.00</b>	<b>TOTAL</b>	<b>500,00,000</b>	<b>100.00</b>

**Distribution of shareholding by ownership as on March 31, 2016**

Category	No. of Shares held	Share holding %
Promoters	8,44,000	16.88
Foreign Body Corporate	26,500	0.53
Insurance Companies	-	-
Mutual Funds/UTI/Banks	31,600	0.63
Clearing Members	52,787	1.06
NRIs	96,110	1.92
Bodies Corporate	2,64,968	5.30
Individuals/others	36,84,035	73.68
<b>Total</b>	<b>50,00,000</b>	<b>100.00</b>

**Dematerialization of Shares**

: Trading in Equity Shares of the Company is permitted only in dematerialized form. Approximately total of 40,91,102 equity shares of the Company, forming 81.82% of the share capital of the Company, stand dematerialized (NSDL –2778059 CDSL -13,13,043).

**Outstanding GR/Warrants or an Convertible instruments**

: N.A.

**Plant Location**

: Company Does not have plant

**Address for correspondence**

: **Mr. Vinod Shah, Compliance Officer**  
BW-2030, Bharat Diamond Bourse, BKC, Bandra (East), Mumbai - 400051

**For and on behalf of the board of Directors**

**Sd/-**

**Vinod T. Shah**  
Managing Director

**DIN01859634**

Place : Mumbai  
Date : 28<sup>th</sup> May 2016





# SHEETAL DIAMONDS LIMITED

## ANNEXURE I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts/arrangements/transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) Justification for entering into such contracts or arrangements or transactions	(f) date(s) of approval by the Board	(g) Amount paid as advances, if any:	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts/arrangements/transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
N.A	N.A	N.A	N.A	N.A	NIL



# SHEETAL DIAMONDS LIMITED

## Annexure II FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March 2016

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L56912MH1994PLC083945
ii.	Registration Date	21/12/1994
iii.	Name of the Company	SHEETAL DIAMONDS LIMITED
iv.	Category/Sub-Category of the Company	Company Limited by Shares/ Indian Non- Govt Company
v.	Address of the Registered office and contact details	BW - 2030, BHARAT DIAMOND BOURSE,, BKC, BANDRA EAST, MUMBAI 400051
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Purva Share Registry (I) Pvt. Ltd.</b> 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai – 400011 Tel: 23018261/6761, Fax: 23012517

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading in Diamond & Diamond Jewelers	52393	99.75%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	N. A.	N. A.	N. A.	N. A.	N. A.

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other Director & Director Relative	8,44,000	0	8,44,000	8,44,000	8,44,000	0	8,44,000	16.88	0
Sub-total(A)(1): -	<b>8,44,000</b>	<b>0</b>	<b>8,44,000</b>	<b>8,44,000</b>	<b>8,44,000</b>	<b>0</b>	<b>8,44,000</b>	<b>16.88</b>	<b>0</b>
<b>2) Foreign</b>									
g) NRIs- Individuals	0	0	0	0	0	0	0	0	0
h) Other- Individuals	0	0	0	0	0	0	0	0	0

j) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0	0
Sub-total(A)(2) :-	0	0	0	0	0	0	0	0	0	0
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	0	31,400	31,400	0	0	31,400	31,400	0.63	0	
b) Banks / FI	0	200	200	0	0	200	200	0	0	
c) Central Govt	0	0	0	0	0	0	0	0	0	
d) State Govt(s)	0	0	0	0	0	0	0	0	0	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	0	0	0	0	0	
g) FIIs	0	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	
i) Others (specify)	0	0	0	0	0	0	0	0	0	
Sub-total(B)(1)	0	31,600	31,600	0	0	31,600	31,600	0.63	0	
<b>2. Non Institutions</b>										
a) Bodies Corp.										
(i) Indian	2,90,278	1,600	2,91,878	2,90,278	2,63,368	1,600	2,64,968	5.84	0.54	
(ii) Overseas	0.00	26,500	26,500	0.00	0.00	26,500	26,500	0.53	0	
b) Individuals										
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,14,283	5,03,600	10,17,883	5,14,283	5,34,720	4,90,400	10,25,120	20.36	0.14	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	20,25,442	2,72,700	22,98,142	20,25,442	19,97,327	2,72,700	22,70,027	45.96	-0.56	
c) Others(Specify)	0	0	0	0	0	0	0	0	0	
d) NRI (Repat & Non)	15,010	86,100	1,01,110	15,010	10,010	86,100	96,110	2.02	0.10	
e) HUF	3,88,887	0	3,88,887	3,88,887	3,88,888	0	3,88,888	7.78	0	
f) Clearing Members	0	0	0	0	52,787	0	52,787	0	0	
Sub-total(B)(2)	32,33,900	8,90,500	41,24,400	32,33,900	32,47,100	8,77,300	41,24,400	82.49	0	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	32,33,900	9,22,100	41,56,000	32,33,900	32,47,100	9,08,900	41,56,000	83.12	0	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	40,77,900	9,22,100	50,00,000	40,77,900	40,91,100	9,08,900	50,00,000	100.00	N.A.	

## ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Vinod T Shah	1,71,000	3.42	0	1,71,000	3.42	NA	NA
2.	Vinod T. Shah HUF	1,46,900	2.93	0	1,46,900	2.93	NA	NA
3.	Binal Mitesh Doshi	1,10,000	2.20	0	1,10,000	2.20	NA	NA
4.	Sheetal V Shah	1,06,100	2.12	0	1,06,100	2.12	NA	NA
5.	Surekha V Shah	1,04,600	2.09	0	1,04,600	2.09	NA	NA
6.	Bhavita Gaurav Vora	1,04,600	2.09	0	1,04,600	2.09	NA	NA
7.	Rimesh V Shah	1,00,800	2.01	0	1,00,800	2.01	NA	NA
	<b>Total</b>	<b>8,44,000</b>	<b>16.88</b>		<b>8,44,000</b>	<b>16.88</b>		

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the End of the year	N.A	N.A	N.A	N.A

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	N.A	N.A	N.A	N.A
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not				
Total (i+ii+iii)	N.A	N.A	N.A	N.A
Change in Indebtedness during the financial year - Addition - Reduction	N.A	N.A	N.A	N.A
Net Change	N.A	N.A	N.A	N.A
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	N.A	N.A	N.A	N.A
Total (i+ii+iii)	N.A	N.A	N.A	N.A

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Vinod T Shah		4,80,000
2.	Stock Option	N.A	N.A	N.A
3.	Sweat Equity	N.A	N.A	N.A
4.	Commission - as% of profit - Others, specify...	N.A	N.A	N.A
5.	Others, please specify	N.A	N.A	N.A
6.	Total(A)	N.A	N.A	N.A
	Ceiling as per the Act	N.A	N.A	N.A

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager		Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	Mr. Niranjn P. Vyas 5,000	Mr. Pankaj V Shah 6,000	Mrs. Nita P Shah 6,000	17,000
	Total(1)				
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify				
	Total(2)				
	Total(B)=(1+2)				
	Total Managerial Remuneration	5,000	6,000	6,000	17,000
	Overall Ceiling as per the Act				

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b)Value of perquisites u/s 17(2) Income-tax Act, 1961  (c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A	N.A	N.A	N.A
2.	Stock Option	N.A	N.A	N.A	N.A
3.	Sweat Equity	N.A	N.A	N.A	N.A
4.	Commission - as% of profit -others, specify...	N.A	N.A	N.A	N.A
5.	Others, please specify	N.A	N.A	N.A	N.A
6.	Total	N.A	N.A	N.A	N.A

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
<b>B. Directors</b>					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
<b>C. Other Officers In Default</b>					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A



# SHEETAL DIAMONDS LIMITED

## ANNEXURE III

Information as per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

a) Whole Time Directors

DIRECTOR	Remuneration Paid To Whole Time Director In FY 2014-15 (Rs.)	Ratio Of Wtd Directors Remuneration To MRE*
Mr. Vinod T Shah	4,80,000	-----

b) Independent Directors

No remuneration was paid to Non Executive and Independent Directors of the Company except for the Sitting fees. Details of the Sitting fees paid during the year is as follows:

Name	Sitting Fees Paid
Mr. Niranjn P. Vyas	5,000
Mr. Pankaj V. Shah	6,000
Mrs. Nita P. Shah	6,000

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
 FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016  
 [Pursuant to section 204(1) of the Companies Act, 2013 and rule  
 No.9 of the Companies (Appointment and Remuneration Personnel)  
 Rules, 2014]

To  
 The Board of Directors  
**M/s. Sheetal Diamonds Limited**  
**CIN: L56912MH1994PLC083945**  
 BW - 2030, Bharat Diamond Bourse,  
 BKC, Bandra East, Mumbai - 400051

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Sheetal Diamonds Limited**. ( hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act 2013 and the Rules made thereunder ;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not Applicable**
- (vi) The laws as are applicable specifically to the Company are as under:
  - a) The Companies Act, 2013
  - b) The SEBI Act, 1992
  - c) Listing Agreement
  - d) The SEBI (Prohibition of insider trading ) Regulations, 2015
  - e) The Income Tax Act, 1961
  - f) The Central Sales Tax 1956
  - g) Vat Act 2002
  - h) Import Export Act 1947
  - i) The Foreign Exchange Management Act 1999

**I have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with BSE Listed,
- (iii) The Company has no subsidiary companies during the period under review.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**I Further report that, during the year under review:**

The status of the Company during the financial year has been that of a Listed Public Company.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** the Company has complied with the provisions of the Act and Rules made under that Act in carrying out no changes:

**I Further Report that:**

- a) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.
- b) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other companies and interests in other entities.
- c) The company has advanced loans, given guarantees and provided securities to directors and/or persons or firms or companies in which directors were interested, and has complied with the provisions of the Companies Act, 2013- *Not Applicable*
- d) The Company has made loans and investments; or given guarantees or provided securities to other business entities and has complied with the provisions of the Companies Act, 2013 and any other statutes as may be applicable.- *Not Applicable*
- e) The amount borrowed by the Company from its directors, members, bank(s)/ financial institution(s) and others were within the borrowing limits of the Company. Such borrowings were made by the Company in compliance with applicable laws.
- f) The Company has not defaulted in the repayment of public deposits, unsecured loans and debentures, facilities granted by bank(s)/financial institution(s) and non-banking financial companies.
- g) The Company has created modified or satisfied charges on the assets of the company and complied with the applicable laws.
- h) All registrations under the various state and local laws as applicable to the company are valid as on the date of report.
- i) The Company has issued and allotted the securities to the persons-entitled thereto and has also issued letters and certificates thereof as applicable to the concerned persons its shares within the stipulated time in compliance with the provisions of the Companies Act, 2013 and other relevant statutes during the period under review.
- j) The Company has not declared dividends to its shareholders due to loss during the period under review
- k) The Company has credited and paid to the Investor Education and Protection Fund within the stipulated time, all the unpaid dividends, repayment of principal and interest on debentures, repayment of principal and interest on fixed deposits as required to be so credited to the Fund during the period under review
- l) The Company has paid all its statutory dues during the period under review.
- m) The Company has complied with the provisions of the Listing Agreement during the period under review.

**Shravan A. Gupta & Associates**  
**Practicing Company Secretary**

Sd/-  
**Shravan A. Gupta**  
ACS: 27484, CP: 9990  
Place: Mumbai  
Date: 30<sup>th</sup> May 2016





# SHEETAL DIAMONDS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2016

Pursuant to Regulation 34(3) and 53(f) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 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 in every year.
- b) **Outlook, Opportunities, Threats and Risks:**  
The industry is showing healthy signs of growth. As per capital income in India is substantial increased, the demand of jewellery amongst the young generation is also on rise. This will help the company in developing business opportunities. The management dose not see any risk or threat as raw material is valuable commodities. The company also planning to expand the horizon of business by investing substantial fund out of internal accrual.
- c) **Segment-wise Performance :**  
The company has currently one major activities of online trading of designer Gold & Diamond jewellery. However, to hedge the gold price the company also buys.
- d) **Internal Control System & Their Adequacy**  
The company has adequate internal control system commensurate with the size. The committee reviews the implementation of management policies to ensure that transaction has been accurately recorded and promptly reported.
- e) **Human Resources & Industrial Relation:**  
The company considers human resources as one of the vital and important factors for sustained growth. The human resources strategy is to attract talent in the industry, develop and upgrade their skill and competence on the job and ensure employee satisfaction through reward, appreciation and development of environment based on culture and values nurtured by the Group over the years.
- f) **Trading Status On the stock exchange:**  
The company's equity shares are Listed and traded on Bombay Stock Exchange Limited.
- g) **Whistle Blower Policy:**  
The company dose not have any Whistle Blower policy as of now but no personnel are being denied any access to the audit committee.
- h) **Cautionary Statement:**  
Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation or predication may be "forward-looking" statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

For and on behalf of the board of Directors

Sd/-

**Vinod T. Shah**  
Managing Director  
DIN 01859634

Place : Mumbai  
Date : 30<sup>th</sup> May 2016



# SHEETAL DIAMONDS LIMITED

## AUDITOR'S CERTIFICATE

To,  
The Members,  
Sheetal Diamonds Limited

We have examined the compliance of conditions of Corporate Governance of *Sheetal Diamonds Limited*, for the year ended 31st March, 2016 as stipulated in Clause IV of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the 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 provisions as specified in Clause IV of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchange.

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

For **Hardik H Shah & Associates**  
Chartered Accountants  
(Firm's Registration No. 131390W)

Sd/-

**CA Hardik Shah**  
Proprietor  
Membership No. 137026

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016



# SHEETAL DIAMONDS LIMITED

## INDEPENDENT AUDITORS' REPORT

To the members of

**Sheetal diamonds limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of SHEETAL DIAMONDS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion/qualified audit opinion/adverse audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit/loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and 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 so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Hardik H Shah & Associates

Chartered Accountants (Firm's Registration No. 131390W)

Sd/-

CA Hardik Shah

Proprietor

Membership No. 137026, Mumbai, May 30, 2016



# SHEETAL DIAMONDS LIMITED

## ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Sheetal Diamonds Limited on the financial statements for the year ended March 31, 2016]

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.  
(c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.  
(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) According to information & explanation given to us, maintenance of cost record under Sub Section (1) of Section 148 of the Companies Act, 2013 as prescribed by Central Government is not applicable to company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks, government and debenture holders.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act:
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Hardik H Shah & Associates  
Chartered Accountants  
(Firm's Registration No. 131390W)

Sd/-

CA Hardik Shah  
Proprietor  
Membership No. 137026  
Mumbai, May 30, 2016



# SHEETAL DIAMONDS LIMITED

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Sheetal Diamonds Limited on the financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")  
We have audited the internal financial controls over financial reporting of Sheetal Diamonds Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide Reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).

For Hardik H Shah & Associates  
Chartered Accountants  
(Firm's Registration No. 131390W)

Sd/-

CA Hardik Shah  
Proprietor  
Membership No. 137026  
Mumbai, May 30, 2016



# SHEETAL DIAMONDS LIMITED

Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
		Amount	Amount
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	50,000,000	50,000,000
(b) Reserves and surplus	4	-15,188,801	7,429,989
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	980,000	980,000
<b>3 Current liabilities</b>			
(a) Trade payables	6	339,816	1,796,423
(b) Other current liabilities	7	101,521	167,081
<b>TOTAL</b>		<b>36,232,536</b>	<b>60,373,493</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	1,978,670	2,581,917
(b) Non-current investments	9	5,000	22,505,000
(c) Long Term Loans & Advances	10	4,838,200	12,989,226
(d) Other Non-Current Assets	11	150,787	172,328
<b>2 Current assets</b>			
(a) Inventories	12	20,218,974	17,649,530
(b) Trade receivables	13	4,307,454	2,360,474
(c) Cash and cash equivalents	14	3,191,239	1,771,221
(d) Short Term Loans & Advances	15	1,542,212	343,797
<b>TOTAL</b>		<b>36,232,536</b>	<b>60,373,493</b>
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached.

**For Hardik H Shah & Associates**

Chartered Accountants

FRN : 131390W

Sd/-

**CA Hardik H Shah**

**Proprietor**

Membership No.: 137026

Place : Mumbai

Date : 30th May, 2016

**For and on behalf of the Board of Directors**

Sd/-

**Managing Director**

Sd/-

**Director**

Place : Mumbai

Date : 30th May, 2016



# SHEETAL DIAMONDS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
		Amount	Amount
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations	16	99,584,493	38,344,417
2 Other income	17	48,106	97,854
<b>3 Total revenue (1+2)</b>		<b>99,632,599</b>	<b>38,442,271</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	18	95,554,108	33,024,988
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	-2,569,444	1,277,762
(c) Employee benefits expense	20	1,221,233	938,349
(d) Finance costs	21	13,837	18,224
(e) Depreciation and amortisation expense	8	607,148	658,014
(f) Other expenses	22	4,924,507	2,789,930
<b>Total expenses</b>		<b>99,751,389</b>	<b>38,707,267</b>
Less: Exceptional Item		-22,500,000	-
<b>5 Profit before tax</b>		<b>-22,618,790</b>	<b>-264,996</b>
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		-	-
(b) Current tax expense relating to prior years		-	430
Net current tax expense		-	<b>430</b>
<b>7 Profit for the Year</b>		<b>-22,618,790</b>	<b>-265,426</b>
<b>Earning Per Share on Equity Shares of Rs 10 each</b>			
Basic		(4.52)	(0.05)

In terms of our report attached.

**For Hardik H Shah & Associates**

Chartered Accountants

FRN: 131390W

Sd/-

**CA Hardik H Shah**

Proprietor

Membership No.: 137026

Place : Mumbai

Date : 30th May, 2016

**For and on behalf of the Board of Directors**

Sd/-

**Managing Director**

Sd/-

**Director**

Place : Mumbai

Date : 30th May, 2016



# SHEETAL DIAMONDS LIMITED

Notes to the financial statements for the year ended March 31st, 2016

## 1 CORPORATE INFORMATION

SHEETAL DIAMONDS LIMITED ("the company") is engaged in the trading of Loose Diamonds & Jewellery.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) and provisions of the Companies Act 2013, read with the Companies (Accounting Standard) Rules, 2006 (Accounting Standard Rules) as well as applicable pronouncements of the Institute of Chartered Accountant of India.

### b) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

### c) Revenue recognition

a) Sales are recorded net of trade discounts, sales tax/ value added tax, rebates and excise duty. Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

b) Interest income is recognised on time proportion basis.

### d) Inventories:

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on FIFO basis.

### e) Investments

Investments are classified into non current investments and current investments. Investments which are intended to be held for more than one year are classified as non current investments and investments which are intended to be held for less than one year, are classified as current investments. Non current investments are stated at cost and a provision for diminution in value of non current investments is made only if the decline is other than temporary in the opinion of the management. Current investments are valued at cost or market/fair value whichever is lower.

### f) Provisions, Contingent Liabilities and Contingent Asset

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

### g) Fixed assets and depreciation

i. Fixed assets are stated at cost of acquisition and installation less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

ii. Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956

iii. Expenses incurred on Project and other charges during construction period are included under pre-operative expenditure (grouped under Capital Work in Progress) and are allocated to the cost of Fixed Assets on the commencement of commercial operations.

### h) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such condition exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating units to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account.

If at the Balance Sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at revised recoverable amount.

### i) Foreign currency transactions

a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.

b) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

c) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.

d) Non monetary items denominated in foreign currencies are carried at cost.

### j) Taxation

a. Current Tax:

Provision for tax is based on the taxable profit for the accounting year after taking into consideration the relevant provisions of the Income Tax Act, 1961.

b. Deferred Tax:

Deferred tax resulting from timing difference between accounting and taxable income is accounted for using the tax rates and laws that are enacted or substantively enacted on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent there is a virtual certainty that the asset will be realised in future.

### k) Borrowing Cost:

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalized with the fixed assets.

### l) Earnings per share

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

### m) Cash and cash equivalent

Cash and cash equivalent for the purpose of cash flow statement comprised cash at bank and cash in hand and other short term investment with maturity of three months or less





# SHEETAL DIAMONDS LIMITED

Notes forming part of the financial statements  
Note 3 Share capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Equity shares of Rs. 10 each with voting rights	6,000,000	60,000,000	6,000,000	60,000,000
(b) Issued Equity shares of Rs. 10 each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
(c) Subscribed and fully paid up Equity shares of Rs. 10 each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
(d) Subscribed but not fully paid up Equity shares of Rs. 10 each with voting rights	-	-	-	-
<b>Total</b>	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>

Note 4 Reserves and surplus

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	7,429,989	7,999,526
Less: Impact of change in Depreciation	-	(304,106)
Add: Current Year's Profit	(22,618,790)	(265,426)
<b>Total</b>	<b>(15,188,801)</b>	<b>7,429,989</b>

Note 5 Long Term Borrowing

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Long Term Borrowings Considered Good & Unsecured	980,000	980,000
<b>Total</b>	<b>980,000</b>	<b>980,000</b>

Note 6 Trade payables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Trade payables: Acceptances	339,816	1,796,423
Other than Acceptances	-	-
<b>Total</b>	<b>339,816</b>	<b>1,796,423</b>

Note 7 Other current liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Other Liabilities	101,521	167,081
<b>Total</b>	<b>101,521</b>	<b>167,081</b>

Note 8 : Fixed Assets

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1 April, 2015	Additions	Disposals	Balance as at 31 March, 2016	Balance as at 1 April, 2015	Depreciation / amortisation expense for the year	Depreciation on Impact of Change in Life	Balance as at 31 March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>(A) Tangible assets</b>										
Furniture and Fixtures	618,052	-	-	618,052	329,180	74,788	-	403,968	214,084	288,872
Plant & Machinery	3,510,631	3,900	-	3,514,531	1,276,825	494,944	-	1,771,769	1,742,762	2,233,806
Computer Systems	204,830	-	-	204,830	145,590	37,416	-	183,006	21,824	59,240
<b>Total</b>	<b>4,333,513</b>	<b>3,900</b>	<b>-</b>	<b>4,337,413</b>	<b>1,751,595</b>	<b>607,148</b>	<b>-</b>	<b>2,358,743</b>	<b>1,978,670</b>	<b>2,581,918</b>

Note 9 Non-current investments

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Investments at cost	5,000	22,505,000
<b>Total</b>	<b>5,000</b>	<b>22,505,000</b>

Note 10 Long-term loans and advances

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Secured & Considered Good	4,838,200	12,989,226
<b>Total</b>	<b>4,838,200</b>	<b>12,989,226</b>

Note 11 Other Non Current Assets

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Preliminary Expenses (to the extent not written off)	150,787	172,328
<b>Total</b>	<b>150,787</b>	<b>172,328</b>



# SHEETAL DIAMONDS LIMITED

## Note 12 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Finished Goods	20,218,974	17,649,530
<b>Total</b>	<b>20,218,974</b>	<b>17,649,530</b>

## Note 13 Trade receivables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Trade Receivables		
Outstanding for more than six months		
Others	4,307,454	2,360,474
<b>Total</b>	<b>4,307,454</b>	<b>2,360,474</b>

## Note 14 Cash and cash equivalents

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Cash in Hand	196,269	471,201
Balance with Bank	2,994,970	1,300,020
<b>Total</b>	<b>3,191,239</b>	<b>1,771,221</b>

## Note 15 Other Short Term Loans & Advances

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Advance Tax & Tax Deducted at Sources	193,797	193,797
VAT Receivable	1,178,415	
Other Short Term Advances	170,000	150,000
<b>Total</b>	<b>1,542,212</b>	<b>343,797</b>

## Note 16 Revenue from operations

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount	Amount
(a) Sale of products	99,584,493	38,344,417
<b>Total</b>	<b>99,584,493</b>	<b>38,344,417</b>

## Note 17 Other income

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount	Amount
(a) Interest income	2,524	1,768
(b) Other non-operating income	45,582	96,086
<b>Total</b>	<b>48,106</b>	<b>97,854</b>

## Note 18 Cost of materials consumed

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount	Amount
Opening stock	-	-
Add: Purchases of Materials	94,330,365	33,024,988
Add: Other Incidental Expenses related to Purchase	1,223,743	-
Less: Closing stock	-	-
<b>Cost of material consumed</b>	<b>95,554,108</b>	<b>33,024,988</b>

## Note 19 Changes in inventories of finished goods

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount	Amount
<u>Inventories at the end of the year:</u>		
Finished goods	20,218,974	17,649,530
	20,218,974	17,649,530
<u>Inventories at the beginning of the year:</u>		
Finished goods	17,649,530	18,927,292
	17,649,530	18,927,292
<b>Net (increase) / decrease</b>	<b>-2,569,444</b>	<b>1,277,762</b>

## Note 20 Employee benefits expenses

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount	Amount
Salaries and wages	1,221,233	938,349
<b>Total</b>	<b>1,221,233</b>	<b>938,349</b>

## Note 21 Finance Cost

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount	Amount
Bank Charges	13,837	18,224
<b>Total</b>	<b>13,837</b>	<b>18,224</b>



# SHEETAL DIAMONDS LIMITED

## Note 22 Other expenses

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Amount	Amount
Advertisement Expenses	10,999	87,584
Electricity Expense	154,892	157,876
Rent including lease rentals	1,213,037	811,210
Audit Fees	30,000	30,000
Clearing & Forwarding Charges	23,255	106,859
Legal and Professional Fees	176,260	36,750
Printing & Stationery	24,206	28,516
Communication Expenses	82,354	47,273
Travelling Expense	523,090	249,644
Sundry Bal w/off	121,587	281,200
Membership Fees	276,319	229,564
Preliminary Expenses W/off	21,541	24,618
Director Fees & Remuneration & Sitting Fees	480,000	490,000
Office Expense	431,744	208,836
Exchange Rate Difference	1,055,224	-
<b>Total</b>	<b>4,924,507</b>	<b>2,789,930</b>

## Note 23: Contingent Liabilities and Commitments

All Known Liabilities are provided for in the accounts excepts liabilities of Contingent nature which have been adequately disclosed in accounts

## Note 24: Foreign currency transaction:

### Income in foreign currency:

Particulars	March 31st, 2016	March 31st, 2015
Export of Goods	81,179,165	25,396,898
<b>Total</b>	<b>81,179,165</b>	<b>25,396,898</b>

## Note 25: Segment Information for the year ended March 31, 2016

As the Company is engaged only in one business segment i.e. Trading of Loose Diamonds & Jewellery goods, the Balance Sheet as at March 31, 2015 and the Profit and Loss Account for the year ended March 31, 2016 pertain to one business segment and related activities as per Accounting Standard (AS) 17 on "Segment Reporting".

## Note 26: Auditors Remuneration

Particulars	March 31st, 2016	March 31st, 2015
Audit Fees	30,000	30,000
<b>Total</b>	<b>30,000</b>	<b>30,000</b>

## Note 27: Related party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

### Note 27.1: Relationships during the year

Sr No	Name of the Related Party	Relationship
1	Vinod T Shah (Managing Director)	Key Management Personnel
2	Niranjan P Vyas	
3	Pankaj V Shah	
4	Nita P Shah (Additional Director)	

### Note 27.2: Related party transactions

Transactions with related parties during the year :

Sr No	Particulars	Previous Year's Figures are given in brackets 2015 - 2016	
		Key Manaerial Personnel	Significant Influence is exercised by KMP
1	<b>MD Remuneration</b>		
	(I) Vinod T Shah	480,000 (480,000)	
2	<b>Director's Sitting Fees</b>		
	(I) Niranjan P Vyas	5,000 (4,000)	
	(II) Pankaj V Shah	6,000 (5,000)	
	(III) Nita P Shah	6,000 (1,000)	



# SHEETAL DIAMONDS LIMITED

**Note 28: Earnings per share**

Particulars	March 31st, 2016	March 31st, 2015
Net profit after tax as per statement of profit and loss	(22,618,790)	(265,426)
Weighted average number of equity shares outstanding during the year	5,000,000	5,000,000
Nominal value per equity share	10	10
<b>Basic and diluted earnings per share</b>	<b>(4.52)</b>	<b>(0.05)</b>

**Note 29: Imported and Indigenous Raw Material Consumption:**

Particulars	March 31st, 2016		March 31st, 2015	
	In Rs.	%	In Rs.	%
<b>Raw Materials and Components</b>				
Imported	-	0.00	-	0.00
Indegenious	95,554,108	100.00	33,024,988	100.00

**Note 30:** Balances of Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances are subjected to reconciliation and confirmation, necessary adjustment if required, will be made after reconciliation. The management does not expect any material difference affecting the current year's financial statements.

**Note 31:** In the opinion of the Board and to the best of their knowledge and belief all the Current Assets, Loans and Advances have value on realisation at least of an amount at which they are stated in Balance Sheet.

**Note 32:** Liability In respect of gratuity and leave encashment are accounted on cash basis which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India, which requires that gratuity and Leave Encashment Liabilities be accounted for on actuarial basis.

**Note 33:** The Amount due to Small Scale Industries is NIL as on 31st March, 2016 and hence disclosure requirements in this regard as per schedule VI of the Companies Act, 1956 is not being provided.

**Note 34:** During the year company has written off Investment of Rs 2,25,00,000; due to which it has incurred exceptional loss of Rs 2,25,00,000

**Note 35: Previous Year figures**

Figures of previous year are regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year

**As per our report of even date**

**For Hardik H Shah & Associates**  
Chartered Accountants  
Firm registration No. 131390W

Sd/-

**CA. Hardik H Shah**

Proprietor  
Membership No.: 137026

Place : Mumbai  
Date : 30th May, 2016

**For and on behalf of the Board of Directors**

Sd/-

**Managing Director**

Sd/-

**Director**



# SHEETAL DIAMONDS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	March 31, 2016	March 31, 2015
	Rs	Rs
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss account	(22,618,790)	(264,996)
<u>Adjustments For :</u>		
Depreciation	607,148	658,014
Preliminary expenses written off	21,541	24,618
Interest Income	(48,106)	(97,854)
Loss on Investment	22,500,000	-
Foreign exchange Loss (non-cash Loss)	1,055,224	-
Sundry balance written off (Non-Cash Expenses)	121,587	281,200
<b>Operating Cash Flow Before Working Capital Changes</b>	<b>1,638,604</b>	<b>600,982</b>
<b>Changes in current assets and liabilities</b>		
(Increase)/Decrease in Trade Receivables	(5,231,186)	(1,142,666)
(Increase)/Decrease in Inventories	(2,569,444)	1,277,762
(Increase)/Decrease in Long Term and Short Term Loans and Advances	8,131,026	(2,299,999)
(Increase)/Decrease in Trade Payables, Other Current and Non Current Liabilities and Provisions	(593,187)	1,983,593
<b>Cash Generated From Operations</b>	<b>1,375,813</b>	<b>419,672</b>
Payment of Taxes (Net of Refunds)	-	(430)
<b>Net Cash Flow From/ (used in) Operating Activities (A)</b>	<b>1,375,813</b>	<b>419,242</b>
<b>B. Cash Flow From Investing Activities :</b>		
Purchase of Fixed Assets/CWIP	(3,900)	(923,913)
Sales of Fixed Assets	-	-
Investment in Fixed Deposits	-	-
Interest income	48,106	97,854
<b>Net Cash Flow From Investment Activities (B)</b>	<b>44,206</b>	<b>(826,059)</b>
<b>C. Cash Flow From Financing Activities :</b>		
Proceeds from Borrowing	-	-
Sales Proceeds from Investments	-	-
Payment of Borrowings	-	(1,620,000)
<b>Net Cash From / (Used In) Financing Activities (C)</b>	<b>-</b>	<b>(1,620,000)</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>1,420,019</b>	<b>(2,026,817)</b>
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>1,771,221</b>	<b>3,798,038</b>
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>3,191,239</b>	<b>1,771,221</b>

Component of cash and cash equivalents (Refer note 14)

As per our report of even date  
**For Hardik H Shah & Associates**  
 Firm registration No. 131390W  
 Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
**CA Hardik H Shah**  
 Proprietor  
 Membership No.: 137026

Sd/-  
 Managing Director

Sd/-  
 Director

Place : Mumbai  
 Date : 30th May, 2016



# SHEETAL DIAMONDS LIMITED

Regd. Off : Office No. BW-2030 , Bharat Diamond Bourse , Bandra Kurla Complex , Bandra (E) , Mumbai-400 051 (INDIA)

CIN:L56912MH1994PLC083945

Tel No: 022 40102666;

Email id: sheetaldiamond@gmail.com, website: [www.sheetaldiamonds.com](http://www.sheetaldiamonds.com)

## ATTENDANCE SLIP

22<sup>nd</sup> ANNUAL GENERAL MEETING ON 28<sup>TH</sup> SEPTEMBER 2016

Regd. Folio No	
Client ID/ D.P. ID	
Name and address of the shareholder(s)	
Joint Holder 1	
Joint Holder 2	
No. of Shares held	

I/we hereby record my/our presence at the 22<sup>nd</sup> ANNUAL GENERAL MEETING of the Company, to be held on Monday , 28<sup>th</sup> September, 2016 at 11.00 a.m. at the Park View,37,Lallubhai Park Road, Andheri (West), Mumbai - 400 058.

Member's Folio/DP ID/Client ID No.    Member's/Proxy's name    Member's/Proxy's Signature  
(in Block Letters)

### Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign the Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL.**

Note: PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

22<sup>nd</sup> ANNUAL GENERAL MEETING ON 28<sup>TH</sup> SEPTEMBER, 2016

Name of the Member (s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
\_\_\_\_\_  
Email Id : \_\_\_\_\_  
Folio No/Client Id : \_\_\_\_\_  
DP ID : \_\_\_\_\_

I/We, being a Member (s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on poll) for me/us on my /our behalf of at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on Wednesday, 28<sup>th</sup> September, 2016 at 11.00 a.m. at the Park View,37, Lallubhai Park Road, Andheri (West), Mumbai - 400 058 and at any adjournment thereof in respect of such resolution as are indicated below:

## FORM NO. MGT-12 Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : **SHEETAL DIAMONDS LIMITED**  
Registered Office : **Bw - 2030, Bharat Diamond Bourse, Bkc, Bandra East,**  
**Mumbai- 400051.**

### B A L L O T P A P E R

S.No.	Particulars	Details
1	Name of the First Named Shareholder (in block letters)	
2	Postal address	
3	Registered folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4	Class of Share	Equity Share Rs.10/- each

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner :

No.	Item No.	No. of shares held by me	I assent to the resolution (For)	I dissent from the resolution (Against)
1	Adoption of Financial Statement for the Year Ended March 31, 2016.			
2	Re-appointment of Shri. Vinod Trikamlal Shah, who retires by rotation.			
3	Appointment of M/s. Hardik H. Shah & Associate, Chartered Accountants as Auditor.			

Place : MUMBAI

Date : 28<sup>th</sup> September 2016

\_\_\_\_\_  
(Signature of the shareholder/Proxy/Authorized Representative of Corporate Body)

Please note that those shareholders who casted their vote in e-voting process conducted between 24.09.2016 to 27.09.2016 at CDSL e-voting portal at [www.evotingindia.com](http://www.evotingindia.com), need not to vote through this Ballot Paper again.



## **GENERAL INSTRUCTIONS TO SHAREHOLDERS FOR FILLING IN THE POLL PAPER**

### **Regarding Putting (Tick) Mark**

- Please cast your vote by putting a  mark in either of the boxes provided in the Poll Paper.
- If you want to cast your vote in favour of the resolution, you have to put a  mark in the box “**For**”.
- If you want to cast your vote against the resolution, you have to put a  mark in the box “**Against**”.
- If you put a  mark in **both** the boxes, your vote will be treated as **invalid**.
- If you **do not** put a  mark in either of the boxes, the Poll Paper will be treated as **invalid**.
- If you put any mark **other than a  mark, say X (cross) etc.**, your vote will be treated as **invalid**.
- If you want to use your **vote differently**, you may cast your vote by using **separate Poll Paper** and mention therein the number of votes.

### **Regarding Folio or Client Id / DP Id.**

- In case you hold Shares in physical form, please write your master Folio Number at the place provided for in the Poll Paper.
- In case you hold Shares in electronic form, please write your Client Id. Number and DP Id. Number at the place provided for in the Poll Paper.

### **Regarding Signing**

- After writing your Folio Number or Client Id. Number / DP Id. Number, as the case may be, **please** sign at the place provided for in the Poll Paper.
- In case you are **Voting in person**, you must sign as per the **specimen signature** lodged with Company. In such case please strike out the words “**Proxy/Authorized Representative of Corporate Body**”.
- In case you are **voting as a Proxy**, then, after signing, strike out the words “**Member / Authorized Representative of Corporate Body**”.
- In case you are **voting as Authorized Representative of Corporate Body**, then after signing, strike out the words “**Members/Proxy**”.
- If you **do not sign** the Poll Paper your vote will be treated as **invalid**.
- Voting Rights : Shareholders holding equity shares shall have one vote per share as shown against their holding.

### **Regarding Shareholding / Names**

- After writing the number of Shares held, please write your full name in **CAPITAL LETTERS**.
- In case you are a Proxy, write the name of the member in full in **CAPITAL LETTERS**, from whom you have obtained the Proxy.
- In case you are a representative of a Corporate Body, write the name of the Corporate Body whom you represent.
- After filling in the Poll Paper, please **deposit** the same **in the Box** at the Polling Booth.

### **Joint Holder**

- Any of the joint holders is entitled to vote. However, if two or more joint holders are personally present at the meeting, then the Shareholder whose name stands first or higher (as the case may be) is alone entitled to vote.
- Joint holder attending the meeting should write the name of the first holder as also his name in item 1 of the poll paper.



BOOK – POST  
(Printed Matter)

TO,

If Undelivered please return to:

**SHEETAL DIAMONDS LIMITED**

Regd. Office: Office No. BW-2030 , Bharat Diamond Bourse ,  
Bandra Kurla Complex , Bandra (E) , Mumbai-400 051 (INDIA)  
Tel: 91-22-40102666