



*"With endless choices of diamonds"*

# **SHEETAL DIAMONDS LIMITED**

**Diamond & Diamond Jewellery Manufacturer & Exporters**

**Dated: 29<sup>th</sup> October, 2020**

**To,**

**BSE Limited,**

**Phiroze Jeebhoy Towers,**

**Dalal Street,**

**MUMBAI - 400 001**

**Script Code : 530525**

Dear Sirs,

**SUB: FILING OF ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2020**

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith soft copy of our Annual Report of the Company for the year ended 31<sup>st</sup> March 2020 along with Annual General Meeting Notice for the Upcoming Annual General Meeting will be held on 27<sup>th</sup> November, 2020 at 10.30.A.M at Coworking BKC, 10th Floor, Parinee Cresenzo, C-30, G Block, Bandra Kurla Complex, Bandra East, BKC, Mumbai- 400051.

We request you to take the same on your records and acknowledge the receipt.

**Thanking You,**

**Your's Faithfully**

**FOR AND ON BEHALF OF SHEETAL DIAMONDS LTD**



**VINOD TRIKAMLAL SHAH**

**MANAGING DIRECTOR**

**DIN: 01859634**



26<sup>th</sup>

**ANNUAL REPORT**

**2019-2020**



# SHEETAL DIAMONDS LIMITED

**BOARD OF DIRECTORS AND KMP:**

SHRI VINOD T. SHAH (DIN - 01859634)  
SHRI ATUL J. KOTHARI (DIN – 08455367)

Managing Director  
Additional Director

**INDEPENDENT DIRECTOR**

SHRI PANKAJ V. SHAH (DIN -03579870)  
SMT NITA P SHAH (DIN- 07144690)

Director  
Director

**COMPLIANCE OFFICER CUM COMPANY SECRETARY**

JAI DILIP SHRIMANKAR (PAN: CMIPS5563E) (Appointed w.e.f 01<sup>st</sup> May, 2020)

**AUDITORS:**

A.T.JAIN & CO.  
CHARTERED ACCOUNTANTS, MUMBAI

**CONSULTANT:**

SHRAVAN A. GUPTA & ASSOCIATES  
COMPANY SECRETARY, MUMBAI

**BANKERS :**

INDUSIND BANK,

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**REGISTERED OFFICE:**

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

**SHARE REGISTRAR & TRANSFER AGENT:**

SATELLITE CORPORATE SERVICES PVT. LTD.  
A-106/107, Dattani Plaza, East West Compound,  
Nr Safed Pool, Andheri Kurla Road,  
Sakinaka, Mumbai-400072  
Tel: 022-28520461/462  
Email Id: [service@satellitecorporate.com](mailto:service@satellitecorporate.com)  
Website: [www.satellitecorporate.com](http://www.satellitecorporate.com)



# SHEETAL DIAMONDS LIMITED

## NOTICE

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of **SHEETAL DIAMONDS LIMITED** will be held on Friday, the 27<sup>th</sup> day of November, 2020 at 10.30 A.M. at Coworking - BKC, 10<sup>th</sup> Floor, Parinee Cresenzo, C-30, G Block, Bandra Kurla Complex, Bandra East, BKC, Mumbai-400051., 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, 2020 and Statement of Profit and Loss for the year ended on that date.
2. To appoint a Director in place of Mr. Vinod Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. A. T. Jain & Co., 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 Saturday, 21<sup>st</sup> November, 2020 to Friday, 27<sup>th</sup> November, 2020 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 26<sup>th</sup> Annual General Meeting of the Company.
11. The e-voting period begins on Tuesday, 24<sup>th</sup> November, 2020 at 9.00 a.m. and ends on Thursday, 26<sup>th</sup> November, 2020 at 5.00 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 20<sup>th</sup> November, 2020, may cast their vote electronically. Thereafter the e-voting module shall be disabled by NSDL 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 20<sup>th</sup> November, 2020.
13. A copy of this notice has been placed on the website of the Company and the website of NSDL.
14. M/s Shraavan A. Gupta & Associates, Practicing Company Secretary (Certificate of Practice Number: 9990 and Membership No. A27484) 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 Regulation 44A of the SEBI (LODR) Regulation, 2015., 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 Tuesday, 24<sup>th</sup> November, 2020 at 9.00 a.m. and ends on Thursday, 26<sup>th</sup> November, 2020 at 5.00 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 20<sup>th</sup> November, 2020 May cast their vote electronically. The e-voting module shall be disabled by NSDL 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.



# SHEETAL DIAMONDS LIMITED

III. Now, select the “Sheetal Diamonds Limited” form the drop down menu and click on “SUBMIT”

I. 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.

II. Next enter the Image Verification as displayed and Click on Login.

III. 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.

IV. 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>

V. After entering these details appropriately, click on “SUBMIT” tab.

VI. 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 NSDL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

VII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

VIII. Click on the EVSN for Sheetal Diamonds Limited on which you choose to vote.

IX. 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

X. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

XI. 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.

XII. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

XIII. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

XIV. 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.

XV. 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@nsdlindia.com](mailto:helpdesk.evoting@nsdlindia.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.

XVI. 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@nsdlindia.com](mailto:helpdesk.evoting@nsdlindia.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 Tuesday, 24<sup>th</sup> November, 2020 at 9.00 a.m. and ends on Thursday, 26<sup>th</sup> November, 2020 at 5.00 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. 20<sup>th</sup> November, 2020 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

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



# SHEETAL DIAMONDS LIMITED

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. Shravan A. Gupta & Associates, Practicing Company Secretary, (Membership No.: ACS 27484 and CP Number: 9990) has been appointed as the Scrutinizer to scrutinize the e-voting process.
3. In terms of Regulation 44A of the SEBI(LODR) Regulation, 2015, 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- Mr. Shravan A. Gupta & Associates, Company Secretary, (Membership No.: ACS 27484 and CP Number : 9990) having office at A-102, Suryakiran Society, Opp. Jain Temple, Next to HDFC Bank, Borivali West, Mumbai – 400092. on or before 25<sup>th</sup> November, 2020. Any Ballot Form received after 10.30 A.m. on 25<sup>th</sup> November, 2020 will be treated as the reply from the member has not been received.
4. Voting will be provided to the members through e-voting and / or at the venue of the Meeting. A member can opt for only one mode of voting i.e. either through e-voting or ballot If a member cast votes by both modes, then voting done through e-voting shall prevail and the ballot shall be treated as invalid.
5. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered office on all working days of the Company between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting except Saturday, Sundays and Public holidays.
6. Members/Proxies are requested to bring their attendance slip dully filled in along with their copy of Annual Report to the Meeting.

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

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

Place : Mumbai  
Date : 29/10/2020

**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	1,46,900
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 26<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

### 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:

(₹ in rupees)

Particulars	Standalone	
	March 2020	March 2019
Income from operation	18,33,61,300.00	20,10,46,570.00
Other Income	53,38,286.00	39,81,066.00
Total Income	18,86,99,586.00	20,50,27,636.00
Profit/(loss) before Interest, Depreciation, Tax and Exceptional Items	(11,35,568)	(16,36,348)
Less Interest Expenses	-	-
Less Depreciation	3,01,029	2,71,649
Less Exceptional Items	-	-
Profit/(loss) before Tax	(14,36,597)	(19,07,997)
Less Provision for Taxation	44,868	99,390
Net Profit/(Loss) after Tax	(14,81,465)	(20,07,387)

During the financial year 2019-20 the total income decreased to Rs. 18,33,61,300.00 as compared to last year's total income of Rs. 20,10,46,570.00. Net Loss Generated after tax decreased to Rs. (14,81,465.00) due to operation of Company as compared to last year net Loss generated after tax Rs. (20,07,387).

The COVID-19 global pandemic which set foot in India in March 2020 has impacted the country's economy across industries and businesses. The Company is not immune to this crisis. To ensure the safety of its employees and workers and to combat the Covid-19 pandemic in compliance with the containment directives of the Government, the Company had shut down its facilities at all locations towards the end of March 2020.

During these extraordinary times of the COVID-19 pandemic, our Company has been contributing positively to the social and financial well-being of all our stakeholders, above all, to the common people of India. Value of human life is of utmost importance, and this fundamental principle continues to guide our business and philanthropic activities. We have come together as an organisation, with the combined strengths of Sheetal Diamonds and all the members of the Sheetal Diamonds, to deploy a sustainable and resilient response to this global pandemic. Our multifarious activities, and our widely publicised motto.

As per the Directives of both the Central and State Governments in the wake of COVID-19 pandemic, the Company had suspended operations w.e.f 23rd March, 2020, adversely impacting the business during the last quarter ended 31<sup>st</sup> March, 2020. The Company has been taking various precautionary measures to protect employees and their families from COVID-19.

### 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 Saturday, 21<sup>st</sup> November, 2020 to Friday, 27<sup>th</sup> November, 2020 at 10.30 A.M (both days inclusive) for the 26<sup>th</sup> Annual General Meeting of the Company scheduled to be convened on 27<sup>th</sup> November, 2020 at Coworking-BKC, 10th Floor, Parinee Cresenzo, C-30, G Block, Bandra Kurla Complex, Bandra East, BKC, Mumbai-400051.**

### FINANCIAL SITUATION

#### Reserves & Surplus

As at March 31, 2020 Reserves and Surplus amounted to Rs. (1,80,88,971) as compared to Rs. (1,66,07,506) of previous year. The Company is steadily writing-off losses and the scenario is improving for the company.





# SHEETAL DIAMONDS LIMITED

## **Long Term Borrowings**

The Company has taken secured Loan of Rs. 13,01,608/- as Long term.

## **Short Term Borrowings**

The Company has taken unsecured Loan of Rs. 22,00,000/- as Short term.

## **Fixed Asset**

Net Fixed Assets as at March 31, 2020 have reduced to Rs. 32,53,640.00 as compared to Rs. 9,85,162.00 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, 2020 was Rs. 5,00,00,000/- (Rupees Five Crores) comprising of 50,00,000 (Rupees Fifty Lacs) equity shares of Rs. 10/- each.

## **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 6 times i.e. on April 25<sup>th</sup> 2019, May 22<sup>nd</sup> 2019, August 09<sup>th</sup> 2019, August 31<sup>st</sup> 2019, November 14<sup>th</sup> 2019 & February 13<sup>th</sup> 2020. The dates of Board Meetings were generally decided in advance with adequate notice to all Board Members.

## **DIRECTORS AND KMP**

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

Mr. Krunalkumar Mahendrakumar Shah was appointed as Chief Financial Officer of the Company w.e.f. 22<sup>nd</sup> May, 2019.

Ms. Vinita Rathod resigned as a Compliance Officer Cum Company Secretary of the Company w.e.f 7<sup>th</sup> June, 2019.

Mr. Atul Jayantilal Kothari appointed as an Additional Director by the Board of Directors of the Company w.e.f 22 nd May, 2019.

## **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. VINOD TRIKAMLAL SHAH, Mr. Pankaj Vinod Shah and Mrs. NITA PANKAJ SHAH, Independent 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 19<sup>th</sup> March, 2020, 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.



# SHEETAL DIAMONDS LIMITED

## **DIRECTORS RESPONSIBILITY STATEMENT:**

The Board of Directors confirms that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2020, 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.

## **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.

## **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.



# SHEETAL DIAMONDS LIMITED

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 organization 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.

## **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, Ms. Nisha Uchil, Practising Company Secretary was appointed to conduct the secretarial audit of our company for FY 2019-20. The Secretarial Audit report is given separately under **Annexure IV**.

## **Change of Registrar and Share Transfer Agent of the Company:**

Company has terminated the services of the Purva Sharegistry (India) Pvt. Ltd as Registrar & Share Transfer Agent and has appointed Satellite Corporate Services Pvt. Ltd as Registrar & Share Transfer Agent with effect from 1<sup>st</sup> August, 2020

## **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.



# SHEETAL DIAMONDS LIMITED

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**

Place : Mumbai  
Date : 29<sup>th</sup> June, 2020

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



# 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 Two Executive Directors (ED) and Two Non-executive Directors.

During the financial year 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, 5 (Five) Board Meetings were held on May 22<sup>nd</sup> 2019, August 09<sup>th</sup> 2019, August 31<sup>st</sup> 2019, November 14<sup>th</sup> 2019 & February 13<sup>th</sup> 2020.

The Composition of the Board of Directors and their attendance at the meetings during the year and at the last Annual General Meeting as also number of the other Directorship / Membership of Committees are as follows:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance of last AGM	No. of Other Directorship	Committee Membership	
					Member	Chairman
Mr. Vinod T. Shah	MD	5	YES	NIL	2	1
Mr. Pankaj V. Shah	IND – NED	5	YES	NIL	1	2
Mrs. Nita P. Shah	IND – NED	5	YES	NIL	3	NIL
Mr. Atul Jayantilal Kothari	AD	4	NO	NIL	NIL	NIL

MD – Managing Director

IND – Independent

NED – Non-Executive Director

ED – Executive Director

AD – Additional Director

### **Board's Functioning & Procedure:**

The Company holds a minimum of five 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 22<sup>nd</sup> 2019, August 31<sup>st</sup> 2019, November 14<sup>th</sup> 2019 & February 13<sup>th</sup> 2020 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.



# SHEETAL DIAMONDS LIMITED

Mr. Pankaj V. Shah	Independent – Non Executive Director	Chairman
Mr. Vinod T. Shah	Managing Director	Member
Mrs. Nita Pankaj Shah	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. Pankaj V. Shah	4	4
Mrs. Nita Pankaj 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:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) To review with Management the financial statements at the end of a quarter, half year and the annual financial statements before submission to the Board for approval, focusing particularly on:
  - (i) matters required to be included in the Director's Responsibility Statement which form part of the Board's reporting in terms of clause (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.



# SHEETAL DIAMONDS LIMITED

## E. Nomination & Remuneration Committee

The Nomination & Remuneration Committee presently comprises of Mr. Vinod T. Shah, Mr. Pankaj V Shah Chairman & Mrs. Nita Pankaj Shah 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 2019-2020, 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 2019-20 is as follows:

Director	Sitting Fees (Rs.)	Salaries, Perquisites & Contribution to funds (Rs.)	Commission (Rs.)
Mr. Pankaj V. Shah	7,500/-	Nil	Nil
Mr. Vinod T. Shah	Nil	4,80,000/-	Nil
Mrs. Nita P. Shah	7,500/-	Nil	Nil
Mr. Atul Jayantilal Kothari	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 Mrs. Nita Pankaj Shah and Mr. Pankaj V. Shah till date.

Mr. Vinod T. Shah	Managing Director	Chairman
Mrs. Nita Pankaj Shah	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. Nita Pankaj Shah	4	4
Mr. Pankaj V Shah	4	4

G. The Stakeholder Relationship Committee comprises of Mr. Pankaj V Shah Independent Director as its Chairman, 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, 2019.

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 Sharegistry Pvt. Ltd., attend to all grievances of the Shareholders and the investors. The Company and M/s. Purva Sharegistry Pvt. Ltd, are making further attempts to ensure that the grievances are expeditiously addressed and redressed to the full satisfaction of the Stakeholders and now Company has changed its RTA to **Satellite Corporate Services Pvt Ltd**.

All the complaints have been resolved and as on March 31, 2020 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 22<sup>nd</sup> 2019, August 31<sup>st</sup> 2019, November 14<sup>th</sup> 2019 & February 13<sup>th</sup> 2020.

Name	Category	Meetings during the year 2019-20	
		Held	Attended
Mr. Vinod T. Shah	Managing Director	4	4
Mr. Pankaj V Shah	Non-Executive Director Chairman	4	4
Ms. Nita P. Shah	Non-Executive Director	4	4

## H. Risk Management Committee

The Board of Directors at its meeting held on May 22<sup>nd</sup>, 2019 had constituted a Risk Management Committee comprising of Mr. Vinod T. Shah 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





# SHEETAL DIAMONDS LIMITED

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.

## **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, 2020.

## **Name and Designation of Compliance Officer:**

Mr. Jai Dilip Shrimankar- Compliance Officer Cum Company Secretary.

## **N. GENERAL BODY MEETINGS:**

Financial Year	Date	Location of the Meeting
1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017	28.09.2017	Park View,37 Lallubhai Park Road, Andheri (west),Mumbai- 400058
1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018	28.09.2018	Park View,37 Lallubhai Park Road, Andheri (west),Mumbai- 400058
1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019	28.09.2019	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.'



# SHEETAL DIAMONDS LIMITED

## 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	November 27th, 2020
Time	10.30 A. M.
Venue	Coworking-BKC, 10th Floor, Parinee Cresenzo, C-30, G Block, Bandra Kurla Complex, Bandra East, BKC, Mumbai - 400051.
<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 : November 21 <sup>st</sup> , 2020 To : November 27 <sup>th</sup> , 2020 (both days inclusive)
<b>iv) Last Date of Receipt of Proxy</b>	November 25th, 2020 before 10.00 A.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 2019- 2020:

The monthly High, Low stock prices during the financial year 2019-2020 are as follows:-

Month	Bombay Stock Exchange	
	High	Low
April, 2019	3.30	1.95
May, 2019	1.86	1.45
June, 2019	1.45	1.43
July, 2019	1.43	1.43
August, 2019	1.43	1.43
September, 2019	1.43	1.43
October, 2019	1.43	1.43
November, 2019	1.43	1.30
December, 2019	1.30	1.30
January, 2020	1.30	1.30
February, 2020	-	-
March, 2020	1.30	1.30

Source: BSE Website  
Registrar & Transfer Agents

: **M/s. SATELLITE CORPORATE SERVICES P LTD**  
A-106/107, Dattani Plaza, East West Compound,  
Nr Safed Pool, Andheri Kurla Road,  
Sakinaka, Mumbai-400072  
Tel: 022-28520461/462  
Email Id: service@satellitecorporate.com  
Website: www.satellitecorporate.com



# SHEETAL DIAMONDS LIMITED

**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 by ownership as on March 31, 2020

Category	No. of Shares held
Promoters	843536
Foreign Body Corporate	-
Insurance Companies	-
Mutual Funds/UTI/Banks	31,600
Clearing Members	-
NRIs	-
Bodies Corporate	-
Individuals/others	41,24,864
<b>Total</b>	<b>50,00,000</b>

## Dematerialization of Shares

## Outstanding GR/Warrants or an Convertible instruments

## Plant Location

For and on behalf of the board of Directors

Sd/-

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

Place : Mumbai  
Date : 29<sup>th</sup> JUNE 2020



# 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:
Pankaj Shah Director	Sitting Fees	As per executed deed	As per executed deed	22 <sup>nd</sup> May, 2019	7500
Nita Shah Director	Sitting Fees	As per executed deed	As per executed deed	22 <sup>nd</sup> May, 2019	7500
Atul Kothari Director	Sitting Fees	As per executed deed	As per executed deed	22 <sup>nd</sup> May, 2019	6000
Vinod Shah Managing Director	Loan From Director	As per executed deed	As per executed deed	22 <sup>nd</sup> May, 2019	22,00,000/-
Vinod T. Shah Managing Director	MD remuneration	As per executed deed	As per executed deed	22 <sup>nd</sup> May, 2019	480000



# SHEETAL DIAMONDS LIMITED

## Annexure II Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st March 2020

[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:

<b>i.</b>	CIN	L56912MH1994PLC083945
<b>ii.</b>	Registration Date	21/12/1994
<b>iii.</b>	Name of the Company	SHEETAL DIAMONDS LIMITED
<b>iv.</b>	Category/Sub-Category of the Company	Company Limited by Shares/ Indian Non- Govt Company
<b>v.</b>	Address of the Registered office and contact details	BW - 2030, BHARAT DIAMOND BOURSE,, BKC, BANDRA EAST, MUMBAI 400051
<b>vi.</b>	Whether listed company	Yes
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	SATELLITE CORPORATE SERVICES P LTD, A-106/107, Dattani Plaza, East West Compound, Nr Safed Pool, Andheri Kurla Road, Sakinaka, Mumbai-400072 Tel. No.: 022-28520461/462 Email ID: service@satellitecorporate.com

### 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>									
<b>a) Individual/ HUF</b>	0	0	0	0	0	0	0	0	0
<b>b) Central Govt</b>	0	0	0	0	0	0	0	0	0
<b>c) State Govt(s)</b>	0	0	0	0	0	0	0	0	0
<b>d) Bodies Corp</b>	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	8,43,536	0	8,43,536	16.87	8,43,536	0	8,43,536	16.87	0
Sub-total(A)(1):-	<b>8,43,536</b>	<b>0</b>	<b>8,43,536</b>	<b>16.87</b>	<b>8,43,536</b>	<b>0</b>	<b>8,43,536</b>	<b>16.87</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
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	31,400	31,400	0.63	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)	<b>0</b>	<b>31,600</b>	<b>31,600</b>	<b>0.63</b>	<b>0</b>	<b>31,600</b>	<b>31,600</b>	<b>0.63</b>	<b>0</b>
<b>2. Non Institutions</b>									
a) Bodies Corp. (i) Indian (ii) Overseas	2,30,224 0.00	11,600 26,500	2,41,824 26,500	4.84 0.53	2,45,484	0 26,500	2,45,484 26,500	4.90 0.53	<b>-0.06</b> <b>0</b>
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 2 lakh  (ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	7,34,190  18,86,001	5,77,100  1,48,100	13,11,290  20,34,101	20.36  45.96	7,70,306  18,85,851	5,70,400  1,48,000	13,40,706  20,33,851	26.81  40.68	<b>6.45</b>  <b>-5.28</b>
c) Others (Specify)	0	0	0	0	0	0	0	0	<b>0</b>
d) NRI (Repat & Non)	19046	0	90646	1.81	90,646	0	90,646	1.81	<b>0</b>
e) HUF	3,89,588	0	3,89,588	7.79	3,79,042	0	3,79,042	7.58	<b>-0.21</b>
f) Clearing	30,915	0	30,915	0.62	8,635	0	8,635	0.17	<b>0</b>

Members									
Sub-total(B)(2)	<b>33,61,564</b>	<b>7,63,300</b>	<b>41,24,864</b>	<b>82.50</b>	<b>33,79,964</b>	<b>7,44,900</b>	<b>41,24,864</b>	<b>82.50</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>33,61,564</b>	<b>7,94,900</b>	<b>41,56,464</b>	<b>83.13</b>	<b>33,79,964</b>	<b>7,76,500</b>	<b>41,56,464</b>	<b>83.13</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	<b>42,05,100</b>	<b>7,94,900</b>	<b>50,00,000</b>	<b>100.00</b>	<b>42,23,500</b>	<b>7,76,500</b>	<b>50,00,000</b>	<b>100.00</b>	<b>0</b>

#### ii.ShareholdingofPromoters

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	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total	
1.	Vinod T Shah	1,71,778	3.42	0	1,70,778	3.42	NA	NA
2.	Vinod T. Shah HUF	1,46,900	2.94	0	1,46,900	2.94	NA	NA
3.	Binal Mitesh Doshi	1,09,758	2.20	0	1,09,758	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.	BhavitaGauravVora	1,04,600	2.09	0	1,04,600	2.09	NA	NA
7.	Rimesh V Shah	1,00,800	2.02	0	1,00,800	2.02	NA	NA
	<b>Total</b>	<b>8,44,000</b>	<b>16.87</b>		<b>8 43 536</b>	<b>16.87</b>	<b>NA</b>	<b>NA</b>

#### iii.ChangeinPromoters' Shareholding(pleasespecify,ifthere is no change) : NA

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	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA

#### V.INDEBTEDNESS

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

	Secured Loan 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	N.A	N.A	N.A	N.A
- Addition				
- Reduction				
	N.A	N.A	N.As	N.A

Net Change				
Indebtedness at the end 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 due				
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	Name of MD/WTD / Manager	Name of MD/WTD/ CS	Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	Mr. Pankaj V Shah 7,500	Mrs. Nita P Shah 7,500	Mr. Atul Jayantilal Kothari 6000	Mrs. Vinita Rathod 24,000	45,000
	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	7,500	7,500	6000	24,000	45,000
	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	JAI SHRIMANKAR  NIL	N.A	NIL
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 2019-20 (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.Pankaj V. Shah	7,500
Mrs. Nita P. Shah	7,500
Mr.AtulJayantilal Kothari	6,000



# SHEETAL DIAMONDS LIMITED

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

[Pursuant to section 204(1) of the companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,  
The Members,  
Sheetal Diamonds Limited**

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sheetal Diamonds Limited (Here in after referred to as "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Statutory Registers, 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 March 31, 2020 has prima facie complied with the statutory provisions listed hereunder:

I have examined the statutory registers, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not Applicable during the audit period;
  
- (v) The following Regulations and Guidelines prescribed under 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;

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2020: -

- (a) The Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (d) 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;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;



# SHEETAL DIAMONDS LIMITED

- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Based on the representation given by the Management of the Company, it is observed that there are no such laws which are specifically applicable to the business of the Company. It is confirmed by the Management that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- (vii) I have also examined compliance with the applicable clauses of the following:
- The Listing Agreements & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 entered into by the Company with the stock exchanges viz., BSE Limited
  - Secretarial Standards 1 & 2 Issued by the Institute of Company Secretaries of India.

During the period under review the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. However, the following penalties were imposed:

Sr. No.	Action Taken by	Details of Violation	Details of Action taken E.g. fines, warning letter, debarment, etc.	Observations! remarks of the Practicing Company Secretary, if any.
1.	BOMBAY STOCK EXCHANGE	Non-submission of shareholding pattern within the period prescribed	Fine of Rs.8000 imposed.	-
2.	BOMBAY STOCK EXCHANGE	Non-compliance w.r.t. appointment of qualified company secretary as compliance officer	Fine of Rs.25000 imposed.	Qualified Company Secretary appointed w.r.t.  01/05/2020
3.	BOMBAY STOCK EXCHANGE	Non-payment of listing fees under Regulation 14 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Warning mail	Payment made on 28/02/2020
4.	BOMBAY STOCK EXCHANGE	Non-submission of Initial Disclosure / Confirmation as per SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018	Warning mail	-



# SHEETAL DIAMONDS LIMITED

5.	BOMBAY STOCK EXCHANGE	Non submission of voting results under regulation 44(3) with the prescribed period	Fine of Rs.10000 imposed.	-
6.	BOMBAY STOCK EXCHANGE	Non-submission of Annual Report under regulation 34	Fine of Rs.72000 imposed.	-
7.	BOMBAY STOCK EXCHANGE	Non-submission of financial results under regulation 33`	Fine of Rs.90000 imposed.	-

## I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director and Independent Directors. *Independent Directors are still to pass an online self-assessment test mandated by MCA for qualifying as an Independent Director.* 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 Act.
2. As per the information provided the company has prima facie given adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.
3. As per the minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.
4. There are prima facie 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.
5. The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/files required by the concerned authorities and internal control of the concerned department.
6. During the audit period we have reported that, the company has no specific events like Public Issue/Right/ Preferential issue of shares/Debtentures/sweat equity, etc.

## I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.



# SHEETAL DIAMONDS LIMITED

4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the Management has conducted the affairs of the company.

**CS NISHA UCHIL**

SD/-

**Practising Company Secretary**

**Membership No.: 24798**

**COP: 8995**

**UDIN: A024798B000518456**

**Date: 28<sup>th</sup> July, 2020**

**Place: Dombivli**



# SHEETAL DIAMONDS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2020

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

For and on behalf of the board of Directors

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

Place : Mumbai  
Date : 29<sup>th</sup> June, 2020



# SHEETAL DIAMONDS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHEETAL DIAMONDS LIMITED

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Sheetal Diamonds Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and,





# SHEETAL DIAMONDS LIMITED

in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, that were operating effectively for ensuring 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



# SHEETAL DIAMONDS LIMITED

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.



# SHEETAL DIAMONDS LIMITED

- d) In our opinion, the aforesaid financial statements comply with the IndAS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M/s. A.T.Jain & Co.**  
Chartered Accountants  
FRN Number: 103886W

SD/-  
**(Sushil T. Jain)**  
Partner  
Membership No. 33809  
Place: Mumbai  
Date: 29.06.2020  
UDIN : 20033809AAAAC09001



# SHEETAL DIAMONDS LIMITED

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sheetal Diamonds Limited of even date)

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we report that there are no immovable properties held by the Company, hence this clause is not applicable to the Company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals in accordance with the procedure followed by the management. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. As informed and based on the records verified by us, the Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. As informed and based on the records verified by us, the Company has not granted any loans, investments, guarantees and security covered under section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us and based on our examination of the records of the division, there were no amounts due as on March 31, 2020 in respect of goods and service tax, cess and other statutory dues which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of our year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided



# SHEETAL DIAMONDS LIMITED

managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M/s. A.T.Jain&Co.**  
Chartered Accountants  
FRN Number: 103886W

SD/-

**(Sushil T. Jain)**  
Partner  
Membership No. 33809  
Place: Mumbai  
Date: 29.06.2020  
UDIN : 20033809AAAAC09001



# SHEETAL DIAMONDS LIMITED

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Sheetal Diamonds Limited of even date)

### **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, 2020 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering 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. 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 respective 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.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company.



# SHEETAL DIAMONDS LIMITED

## 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, to the best of our information and according to the explanations given to us, 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, 2020, based on the internal control over financial reporting criteria established by the Company considering 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.

**For M/s. A.T.Jain & co.**  
Chartered Accountants  
FRN Number: 103886W

SD/-  
**(Sushil T. Jain)**  
Partner  
Membership No. 33809  
Place: Mumbai  
Date: 29.06.2020  
UDIN : 20033809AAAAC09001



**SHEETAL DIAMONDS LIMITED**  
Balance Sheet as at 31st March, 2020

(Amount in Rs.)

Particulars	Note No.	As at	As at
		31st March, 2020	31st March, 2019
<b>ASSETS</b>			
<b>1) NON - CURRENT ASSETS</b>			
(a) Property, Plant & Equipment	3	3,253,640	985,162
(b) Financial assets			
(i) Loans	4	1,040,767	22,000
(c) Deferred Tax Assets (Net)		125,009	169,877
<b>SUB-TOTAL</b>		<b>4,419,416</b>	<b>1,177,039</b>
<b>2) CURRENT ASSETS</b>			
(a) Inventories	5	19,891,369	7,298,190
(b) Financial assets			
(i) Trade receivables	6	47,367,359	27,569,726
(ii) Cash & cash equivalents	7	2,049,873	433,566
(c) Other current assets	8	4,300,412	2,169,056
<b>SUB-TOTAL</b>		<b>73,609,013</b>	<b>37,470,538</b>
<b>TOTAL ASSETS</b>		<b>78,028,429</b>	<b>38,647,577</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1) EQUITY</b>			
(a) Equity share capital	9	50,000,000	50,000,000
(b) Other equity	10	(18,088,971)	(16,607,506)
<b>SUB-TOTAL</b>		<b>31,911,029</b>	<b>33,392,494</b>
<b>2) NON- CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	11	1,301,608	-
<b>SUB-TOTAL</b>		<b>1,301,608</b>	<b>-</b>
<b>3) CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	12	2,200,000	-
(ii) Trade payables	13	41,376,080	4,472,826
(iii) Other Financial liabilities	14	298,699	-
(b) Other current liabilities	15	941,013	782,257
<b>SUB-TOTAL</b>		<b>44,815,792</b>	<b>5,255,083</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>78,028,429</b>	<b>38,647,577</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**A.T.Jain & Co.**

**Chartered Accountants**

Firm Reg No:- 103886W

**For and on behalf of the Board of  
SHEETAL DIAMONDS LIMITED**

SD/-

SD/-

SD/-

SD/-

**Sushil Jain**

Partner

Membership No :- 033809

Place : Mumbai

Date : 29.06.2020

**Pankaj Shah**

Director

DIN: 03579870

Place : Mumbai

Date : 29.06.2020

**Vinod Shah**

Managing Director

DIN: 01859634

Place : Mumbai

Date : 29.06.2020

**Jai Shrimankar**

Company Secretary

PAN: CMIP5563E

Place : Mumbai

Date : 29.06.2020





**SHEETAL DIAMONDS LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2020**

(Amount in Rs.)

Particulars	Note No.	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>Revenue</b>			
Revenue from operations	16	183,361,300	201,046,570
Other income	17	5,338,286	3,981,066
<b>Total revenue</b>		<b>188,699,586</b>	<b>205,027,636</b>
<b>Expenses</b>			
Purchase of stock-in-trade		193,167,470	185,403,380
Changes in inventories	18	(12,593,179)	11,495,160
Employee benefit expenses	19	1,952,560	2,664,944
Finance cost	20	61,675	-
Depreciation and amortization expenses	3	301,029	271,649
Other expenses	21	7,246,628	7,100,501
<b>Total expenses</b>		<b>190,136,183</b>	<b>206,935,633</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>(1,436,597)</b>	<b>(1,907,997)</b>
Exceptional items		-	-
<b>Profit / (loss) before tax</b>		<b>(1,436,597)</b>	<b>(1,907,997)</b>
<b>Tax expense</b>			
Deferred tax		44,868	99,390
<b>Profit / (Loss) for the year</b>		<b>(1,481,465)</b>	<b>(2,007,387)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>(1,481,465)</b>	<b>(2,007,387)</b>
<b>Earning per share</b>			
Basic		(0.30)	(0.40)
Diluted		(0.30)	(0.40)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**A.T.Jain & Co.**  
**Chartered Accountants**  
 Firm Reg No:- 103886W

**For and on behalf of the Board of**  
**SHEETAL DIAMONDS LIMITED**

SD/-  
**Sushil Jain**  
 Partner  
 Membership No :- 033809  
 Place : Mumbai  
 Date : 29.06.2020

SD/-  
**Pankaj Shah**  
 Director  
 DIN: 03579870  
 Place : Mumbai  
 Date : 29.06.2020

SD/-  
**Vinod Shah**  
 Managing Director  
 DIN: 01859634  
 Place : Mumbai  
 Date : 29.06.2020

SD/-  
**Jai Shrimankar**  
 Company Secretary  
 PAN: CMIPS5563E  
 Place : Mumbai  
 Date : 29.06.2020



**SHEETAL DIAMONDS LIMITED**  
**Cash flow statement for the year ended 31st March, 2020**

(Amount in Rs.)

Particulars	For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
<b>A) Cash flow from operating activities :-</b>				
Net Profit before tax		(1,436,597)		(1,907,997)
<b>Adjustment for:</b>				
Depreciation	301,029	301,029	271,649	271,649
Operating Cashflow before working Capital changes		<b>(1,135,568)</b>		<b>(1,636,348)</b>
<b>Adjustment for working capital changes</b>				
Inventory	(12,593,179)		11,495,160	
Trade Receivable	(19,797,633)		(13,040,261)	
Short Term Loans & Advances	-		40,245	
Other Current Assets	(2,114,576)		1,132,458	
Trade Payable	36,903,254		1,742,649	
Other Financial liabilities	298,699		-	
Other Current Liabilities	158,756		(4,576,560)	
		2,855,321		(3,206,309)
<b>Cash generated from operation</b>		<b>1,719,753</b>		<b>(4,842,657)</b>
Less : Taxes Paid		(16,780)		-
		<b>1,702,973</b>		<b>(4,842,657)</b>
<b>B) Cash flow from Investing activities :-</b>				
Purchase of Fixed Assets	(2,569,507)		(15,250)	
Other Inflow / (Outflows) of cash	-		113,090	
<b>Cash generated from Investing Activities</b>		<b>(2,569,507)</b>		<b>97,840</b>
<b>C) Cash flow from Financing activities :-</b>				
Long Term Loans & Advances	(1,018,767)		-	
Borrowings				
Term Loan from Bank (secured)	1,301,608		-	
Unsecured loan from director	2,200,000		(980,000)	
<b>Cash generated from Financing Activities</b>		<b>2,482,841</b>		<b>(980,000)</b>
Net Increase/Decrease in cash or cash equivalent (A+B+C)		<b>1,616,307</b>		<b>(5,724,817)</b>
Cash & cash equivalent as at Opening Date		433,566		6,158,383
Cash & cash equivalent as at Closing Date		<b>2,049,873</b>		<b>433,566</b>

As per our report of even date

**A.T.Jain & Co.**  
**Chartered Accountants**  
 Firm Reg No:- 103886W

**For and on behalf of the Board of**  
**SHEETAL DIAMONDS LIMITED**

SD/-  
**Sushil Jain**  
 Partner  
 Membership No :- 033809  
 Place : Mumbai  
 Date : 29.06.2020

SD/-  
**Pankaj Shah**  
 Director  
 DIN: 03579870  
 Place : Mumbai  
 Date : 29.06.2020

SD/-  
**Vinod Shah**  
 Managing Director  
 DIN: 01859634  
 Place : Mumbai  
 Date : 29.06.2020

SD/-  
**Jai Shrimankar**  
 Company Secretary  
 PAN: CMIP5563E  
 Place : Mumbai  
 Date : 29.06.2020



**SHEETAL DIAMONDS LIMITED**  
**Statement of Changes in Equity For the year ended 31st March, 2020**

	Balance as on 31st March,2020	Balance as on 31st March,2019
<b>EQUITY SHARE CAPITAL</b>	50,000,000	50,000,000
<b>TOTAL</b>	<b>50,000,000</b>	<b>50,000,000</b>
	Balance as on 31st March,2020	Balance as on 31st March,2019
<b>OTHER EQUITY</b>		
<b>Reserve and Surplus</b>		
Opening Balance	(16,607,506)	(14,600,119)
Add: profit / (loss) for the period	(1,481,465)	(2,007,387)
Add: transferred from reserves.		-
<b>Balance carried to Balance sheet</b>	<b>(18,088,971)</b>	<b>(16,607,506)</b>

As per our report of even date

**A.T.Jain & Co.**  
**Chartered Accountants**  
 Firm Reg No:- 103886W

**For and on behalf of the Board of**  
**SHEETAL DIAMONDS LIMITED**

SD/-  
**Sushil Jain**  
 Partner  
 Membership No :- 033809  
 Place : Mumbai  
 Date : 29.06.2020

SD/-  
**Pankaj Shah**  
 Director  
 DIN: 03579870  
 Place : Mumbai  
 Date : 29.06.2020

SD/-  
**Vinod Shah**  
 Managing Director  
 DIN: 01859634  
 Place : Mumbai  
 Date : 29.06.2020

SD/-  
**Jai Shrimankar**  
 Company Secretary  
 PAN: CMIPS5563E  
 Place : Mumbai  
 Date : 29.06.2020



# SHEETAL DIAMONDS LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

## 1. Corporate Information

SHEETAL DIAMONDS LIMITED ("the company") is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at BW-2030, Bharat Diamond Bourse, BKC, Bandra (East), Mumbai- 400051. The Company is engaged in the trading of Loose Diamonds & Jewellery.

## 2. Significant Accounting Policies

### Basis of preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard require a change in accounting policy hitherto in use.

All amounts included in the financial statements are presented in Indian rupees ('INR').

### Use of Assumptions, Estimates and Judgments

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period. 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.

### Current versus Non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

### Revenue Recognition

The revenues are recognised when the general revenue recognition criteria given in Ind AS 115 are met.



# SHEETAL DIAMONDS LIMITED

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company measures the revenues at fair value of the consideration received or receivable after taking in to account the amount of any discount or rebates allowed to the customers. The Company presents revenues net of indirect taxes collected in its statement of profit and loss.

Advances received for services and products are reported as “Advance received against sales” until all conditions for revenue recognition are met.

## *Sale of Goods*

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.

## *Interest Income*

Interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example: prepayment and extension), but does not consider the expected credit losses.

## *Other Incomes*

Service income is recognized on rendering of services at a point in time.

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment.

## **Property, Plant and Equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company.

All Property, Plant and Equipment (PPE) are stated at carrying value i.e. original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date.

The cost of an item of PPE comprises: Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts, rebates, Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company has chosen the cost model for recognition and this model is applied to all class of assets. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are eliminated from financial statement on disposal. Gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.



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## **Depreciation and Amortization**

The depreciable amount of an item of Property, Plant and Equipment (PPE) is allocated on a straight line basis over its useful life. The residual value and the useful life of an asset are reviewed at each financial year-end. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Companies Act, 2013 or on the basis of useful lives of the assets as estimated by management, whichever is lower. The residual value of all the assets is taken 5% of the cost of assets.

## **Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the estimated useful economic life of the assets by using straight line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## **Borrowing Costs**

Borrowing costs that are attributable to acquisition and construction of qualifying assets are capitalized till the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. All other borrowing costs are recognized as expenditure in the year in which they are incurred.

## **Foreign Currency Transactions**

### *Functional currency*

The functional currency of the company is Indian Rupees ('INR'). These financial statements are presented in Indian Rupees and all the values are rounded to the nearest Rupee, except otherwise indicated.

### *Transactions and translations*

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are transferred to Profit & Loss Account except for Long Term Foreign Currency Monetary Items. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non monetary assets and nonmonetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.



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Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

## **Inventories**

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

## **Provisions, Contingent Liabilities and Contingent Assets**

### *Provisions*

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date.

### *Contingent Liabilities*

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Contingent Liabilities are disclosed in the General Notes forming part of the accounts.

### *Contingent Assets*

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it is certain that inflow of economic benefit will arise then such asset and the relative income shall be recognised in financial statements.

## **Taxation**

Taxes on Income comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax expense is also recognized in other comprehensive income or directly in equity, respectively.

### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### *Deferred tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.



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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## *Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

## **Financial instruments**

### **(i) Financial Assets**

#### *Initial recognition and measurement:*

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through Profit and Loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

#### *Subsequent measurement:*

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting





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mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

## *De - recognition:*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset; or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## **(ii) Financial Liabilities**

### *Initial recognition and measurement:*

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### *Subsequent measurement:*

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not



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designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

## *Loans and borrowings:*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## *De - recognition:*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### **(iii) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **Impairment of Asset**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment Loss is charged to the Profit & Loss Account in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of recoverable amount.

## *Impairment of financial assets:*

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

## *Impairment of non- financial assets:*

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such



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transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (the 'OCI'). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

## **Earnings per share**

### *Basic earnings per share*

A basic earnings per share is computed by dividing:

- the net profit attributable to the equity shareholders of the company
- by the weighted average number of equity shares outstanding during the year.

### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected.

## **Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

## **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments



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and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **Employee Benefit**

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

## **Leases**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

### *The Company as a lessee*

The Company enters into arrangements for lease which are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment. The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.



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Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

## *The Company as a lessor*

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

## **Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.



**SHEETAL DIAMONDS LIMITED**  
Notes forming part of the financial statements

**Note 3: Property, Plant & Equipment**

(Amount in Rs.)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1st April 2019	Additions / Capitalisations	Disposal/ Transfer	Balance as at 31st March 2020	Balance as at 1st April 2019	Depreciation charge for the year	On disposals	Balance as at 31st March 2020	Balance as at 31st March 2020	Balance as at 31st March 2019
<b>Tangible Assets</b>										
Furniture and Fixture	618,052	-	-	618,052	587,245	656	-	587,901	30,151	30,807
Plant and Machinery	3,565,831	46,000	-	3,611,831	2,626,771	182,933	-	2,809,704	802,127	939,060
Computer System	236,765	189,973	-	426,738	225,025	34,972	-	259,997	166,741	11,740
Office Equipments	3,750	260,778	-	264,528	195	7,615	-	7,810	256,718	3,555
Motor Vehicles	-	2,072,756	-	2,072,756	-	74,853	-	74,853	1,997,903	-
<b>Total F.Y. 2019-20</b>	<b>4,424,398</b>	<b>2,569,507</b>	<b>-</b>	<b>6,993,905</b>	<b>3,439,236</b>	<b>301,029</b>	<b>-</b>	<b>3,740,265</b>	<b>3,253,640</b>	<b>985,162</b>
<b>Total F.Y. 2018-19</b>	<b>4,409,148</b>	<b>15,250</b>	<b>-</b>	<b>4,424,398</b>	<b>3,167,587</b>	<b>271,649</b>	<b>-</b>	<b>3,439,236</b>	<b>985,162</b>	<b>1,241,561</b>

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1st April 2018	Additions / Capitalisations	Disposal / Transfer	Balance as at 31st March 2019	Balance as at 1st April 2018	Depreciation charge for the year	On disposals	Balance as at 31st March 2019	Balance as at 31st March 2019	Balance as at 31st March 2018
<b>Tangible Assets</b>										
Furniture and Fixture	618,052	-	-	618,052	500,468	86,777	-	587,245	30,807	117,584
Plant and Machinery	3,565,831	-	-	3,565,831	2,444,828	181,944	-	2,626,771	939,060	1,121,003
Computer System	225,265	11,500	-	236,765	222,291	2,734	-	225,025	11,740	2,974
Office Equipments	-	3,750	-	3,750	-	195	-	195	3,555	-
<b>Total F.Y. 2018-19</b>	<b>4,409,148</b>	<b>15,250</b>	<b>-</b>	<b>4,424,398</b>	<b>3,167,587</b>	<b>271,649</b>	<b>-</b>	<b>3,439,236</b>	<b>985,162</b>	<b>1,241,561</b>
<b>Total F.Y. 2017-18</b>	<b>4,388,713</b>	<b>72,035</b>	<b>51,600</b>	<b>4,409,148</b>	<b>2,810,890</b>	<b>356,697</b>	<b>-</b>	<b>3,167,587</b>	<b>1,241,561</b>	<b>1,577,823</b>



**SHEETAL DIAMONDS LIMITED**  
Notes forming part of the financial statements

**Note 4 :- Loans**

<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Security Deposits	1,040,767	22,000
<b>Total</b>	<b>1,040,767</b>	<b>22,000</b>

**Note 5 :- Inventories**

<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Stock in Trade	19,891,369	7,298,190
<b>Total</b>	<b>19,891,369</b>	<b>7,298,190</b>

**Note No. 6 :- Trade Receivables**

<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Unsecured & Considered Good	47,367,359	27,569,726
<b>Total</b>	<b>47,367,359</b>	<b>27,569,726</b>

**Note No. 7 :- Cash & Cash Equivalent**

<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Balance with Banks	1,968,846	322,876
Cash on Hand	81,027	110,691
<b>Total</b>	<b>2,049,873</b>	<b>433,567</b>

**Note No. 8 :- Other Current Assets**

<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Prepaid expense	659,561	8,555
Balance with Government authorities	1,787,410	1,500,119
Advance Tax (Net off from Provision of Tax)	16,780	-
Advance to Suppliers	1,836,661	660,383
<b>Total</b>	<b>4,300,412</b>	<b>2,169,056</b>



**SHEETAL DIAMONDS LIMITED**  
Notes forming part of the financial statements

**Note 9 :- Share Capital**

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Authorised :</b>		
6000000 Equity shares of Rs. 10/- each	60,000,000	60,000,000
<b>Issued :</b>		
5000000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<b>Subscribed and paid-up :</b>		
5000000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<b>Total</b>	<b>50,000,000</b>	<b>50,000,000</b>

Equity Shares

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>At the Beginning of the period</b>	5,000,000	50,000,000	5,000,000	50,000,000
Issued during the period	-	-	-	-
Redeemed or bought back during the period	-	-	-	-
<b>Outstanding at end of the period</b>	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>

**Note 10 :- Reserves & Surplus**

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Surplus</b>		
Opening Balance	(12,592,731)	(14,600,119)
Add: Profit for the year	-	-
Less: Loss for the year	(1,481,465)	(2,007,387)
<b>Balance carried to Balance Sheet</b>	<b>(14,074,196)</b>	<b>(12,592,731)</b>

**Note 11:- Borrowings**

Particulars	As at 31-03-2020	As at 31-03-2019
Deferred payment liability (carry interest rate of 9%, repayable in 60 monthly EMIs of Rs. 34,842 from December, 2019 and secured by hypothecation of vehicle)	1,301,608	-
<b>Total</b>	<b>1,301,608</b>	<b>-</b>

**Note 12:- Borrowings**

Particulars	As at 31-03-2020	As at 31-03-2019
Unsecured loan from director	2,200,000	-
<b>Total</b>	<b>2,200,000</b>	<b>-</b>

**Note 13:- Trade Payables**

Particulars	As at 31-03-2020	As at 31-03-2019
Trade Payables		
Due to micro & small enterprises	-	-
Due to others	41,376,080	4,472,826
<b>Total</b>	<b>41,376,080</b>	<b>4,472,826</b>

**Note 14:- Other Financial Liabilities**

Particulars	As at 31-03-2020	As at 31-03-2019
Current maturities of long term borrowings	286,786	-
Interest accrued but not due	11,913	-
<b>Total</b>	<b>298,699</b>	<b>-</b>

**Note 15:- Other Current Liabilities**

Particulars	As at 31-03-2020	As at 31-03-2019
Statutory Dues	10,449	7,851
Salary Payable	235,633	238,282
Advance received against sales	694,931	536,124
<b>Total</b>	<b>941,013</b>	<b>782,257</b>





**SHEETAL DIAMONDS LIMITED**  
Notes forming part of the financial statements

**Note 16:- Revenue from Operations**

Particulars	for the year ended 31-03-2020	for the year ended 31-03-2019
Sale of products	183,361,300	201,046,570
<b>Revenue from operations</b>	<b>183,361,300</b>	<b>201,046,570</b>

**Note 17:- Other Income**

Particulars	for the year ended 31-03-2020	for the year ended 31-03-2019
Exchange Difference	4,182,821	2,969,971
Freight & Insurance	1,085,283	923,994
VAT Interest received	-	21,346
Amount written back	-	65,756
Unwinding of discount on security deposit	43,870	-
Discount received	26,312	-
<b>Total</b>	<b>5,338,286</b>	<b>3,981,066</b>

**Note 18:- Changes in Inventory**

Particulars	for the year ended 31-03-2020	for the year ended 31-03-2019
Inventory at the end of the year	19,891,369	7,298,190
Inventory at the beginning of the year	7,298,190	18,793,350
(Increase)/Decrease in Inventories	(12,593,179)	11,495,160
<b>Total</b>	<b>(12,593,179)</b>	<b>11,495,160</b>

**Note 19:- Employee Benefit Expense**

Particulars	for the year ended 31-03-2020	for the year ended 31-03-2019
Salaries & Wages	1,952,560	2,664,944
<b>Total</b>	<b>1,952,560</b>	<b>2,664,944</b>

**Note 20:- Finance cost**

Particulars	for the year ended 31-03-2020	for the year ended 31-03-2019
Interest	61,675	-
<b>Total</b>	<b>61,675</b>	<b>-</b>

**Note 21:- Other Expenses**

Particulars	for the year ended 31-03-2020	for the year ended 31-03-2019
Rent	316,510	168,000
Motor Car expense	113,441	56,671
Travelling Expenses	1,015,590	1,774,198
Printing & Stationery	47,719	29,081
Legal & Professional fees	28,000	439,700
Audit Fees	75,000	45,000
Director's Remuneration & Sitting Fees	501,000	495,000
Office Expenses	1,261,350	881,014
Electricity Expenses	32,011	57,963
Telephone & Internet	104,690	106,325
Sundry Balance w/off	51,796	154,017
Membership Fees	244,149	276,965
Postage & courier charges	181,927	151,264
Insurance charges	128,083	40,833
Preliminary Expense	-	113,090
Exhibition Expense	1,366,382	572,652
Bank charges	190,381	130,660
Clearing & Forwarding	1,165,802	1,115,050
Interest on TDS	711	3,451
Interest on others	9,561	2,196
Penalty charges	-	76,000
Miscellaneous expenses	412,525	411,371
<b>Total</b>	<b>7,246,628</b>	<b>7,100,501</b>



**SHEETAL DIAMONDS LIMITED**  
Notes forming part of the financial statements

**Note 22: Auditors Remuneration**

Particulars	for the year ended 31-03-2020	for the year ended 31-03-2019
Audit Fees	75,000	45,000
<b>Total</b>	<b>75,000</b>	<b>45,000</b>

**Note 23: Related party disclosures (as identified by the management)**

**Note 23.1: Relationships during the year**

Sr No	Name of the Related Party	Relationship
1	Vinod T Shah	Key Management Personnel
2	Pankaj V Shah	
3	Nita P Shah	
4	Atul Jayantilal Kothari	
5	Vinita Rathod Company Secretary & Complyce officer	

**Note 23.2: Transactions with related parties during the year :**

Previous Year's Figures are given in brackets

Sr No	Particulars	2019-20
		Key Managerial Personnel
	<b>Expenses</b>	
<b>1</b>	<b>MD Remuneration</b>	
	(I) Vinod T Shah	480,000 (480,000)
<b>2</b>	<b>Director's Sitting Fees</b>	
	(I) Pankaj V Shah	7,500 (7,500)
	(II) Nita P Shah	7,500 (7,500)
	(III) Atul Jayantilal Kothari	6,000 -
<b>3</b>	<b>Company Secretary as Compliance Officer</b>	
	(I) Vinita P. Rathod	24,000 (12,000)
	<b>Borrowings</b>	
<b>1</b>	<b>Loan from director</b>	
	(I) Vinod T Shah	2,200,000 -

**Note 24: Earnings per share (EPS) - (Ind AS 33)**

Particulars	March 31st, 2020	March 31st, 2019
<b>Net profit after tax as per statement of profit and loss</b>	<b>(1,481,465)</b>	<b>(2,007,387)</b>
Weighted average number of equity shares outstanding	5,000,000	5,000,000
Nominal value per equity share	10	10
<b>Basic and diluted earnings per share</b>	<b>(0.30)</b>	<b>(0.40)</b>

**Note 25:** 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 26:** 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 27: Previous Year figures**

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



# SHEETAL DIAMONDS LIMITED

## Notes forming part of the Financial Statements

### 28. Fair Value Measurement

Financial Instrument by category and hierarchy:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(Amount in Rs.)

Particulars	Carrying Amount as at 31st March 2020	Fair value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Amortised cost</b>				
Security Deposits	1,040,767	-	-	1,040,767
Trade receivables	47,367,359	-	-	47,367,359
Cash and cash equivalents	2,049,873	-	-	2,049,873
<b>Total</b>	<b>50,457,999</b>	<b>-</b>	<b>-</b>	<b>50,457,999</b>
<b>Financial Liabilities at Amortised cost</b>				
Borrowings (Non-Current)	1,301,608	-	-	1,301,608
Borrowings (Current)	2,200,000	-	-	2,200,000
Trade payables	41,376,080	-	-	41,376,080
Other Financial Liabilities	298,699	-	-	298,699
<b>Total</b>	<b>45,176,387</b>	<b>-</b>	<b>-</b>	<b>45,176,387</b>



# SHEETAL DIAMONDS LIMITED

(Amount in Rs.)

Particulars	Carrying Amount as at 31 <sup>st</sup> March 2019	Fair value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Amortised cost</b>				
Trade receivables	27,569,726	-	-	27,569,726
Cash and cash equivalents	433,566	-	-	433,566
<b>Total</b>	<b>28,003,291</b>	<b>-</b>	<b>-</b>	<b>28,003,291</b>
<b>Financial Liabilities at Amortised cost</b>				
Trade payables	4,472,826	-	-	4,472,826
<b>Total</b>	<b>4,472,826</b>	<b>-</b>	<b>-</b>	<b>4,472,826</b>

During the reporting period ending 31st March, 2020 and 31st March, 2019, there were no transfer between Level 1 and Level 2 fair value measurement.

The carrying value of trade receivables, securities deposits, cash and cash equivalents and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.

The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

## 29. Financial Risk Management Objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Management Board.

Market Risk is the risk of loss of future earning, fair values or future cash flow that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market Risk is attributable to all market risk sensitive financial instruments including investment and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through its finance department, which evaluate and exercises independent control over the entire process of market risk management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

### Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss.

Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.



# SHEETAL DIAMONDS LIMITED

## Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

(Amount in Rs.)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Fixed-rate instruments</b>		
<b>Financial Liabilities:</b>		
Borrowings		
Deferred payment liabilities	1,588,394	-
<b>Floating-rate instruments</b>		
<b>Financial Liabilities:</b>		
Borrowings	-	-

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Foreign Currency Risk

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to traded goods. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount in Rs.)

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	USD	Total	USD	Total
<b>Financial Assets:</b>				
Trade receivables	46,046,004	46,046,004	24,209,437	24,209,437
<b>Total Financial assets</b>	<b>46,046,004</b>	<b>46,046,004</b>	<b>24,209,437</b>	<b>24,209,437</b>
<b>Financial Liabilities:</b>				
Trade payables	1,344,033	1,344,033	-	-
<b>Total Financial Liabilities</b>	<b>1,344,033</b>	<b>1,344,033</b>	<b>-</b>	<b>-</b>



# SHEETAL DIAMONDS LIMITED

Income/Expenditure in Foreign Currency during the year as follows:

(Amount in Rs.)

Particulars	for the year ended 31-03-2020	for the year ended 31-03-2019
F.O.B. Value of Exports	156,227,675	176,718,321

## Liquidity Risk

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity through rolling forecasts on the basis of expected cash flows.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(Amount in Rs.)

Particulars	Less than 1 year	More than 1 year but less than 5 years	More than 5 years	Carrying Amount as at 31st March, 2020
<b>Non-Current Financial Liabilities:</b>				
Borrowings (Non-Current)	-	1,301,608	-	<b>1,301,608</b>
<b>Current Financial Liabilities:</b>				
Borrowings (Current)	2,200,000	-	-	<b>2,200,000</b>
Other Financial Liabilities	298,699	-	-	<b>298,699</b>

There were no contractual maturities of financial liabilities as at 31<sup>st</sup> March, 2019.

## Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed.

It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date. To manage this, the Company periodically assesses the financial reliability of customers, taking in to account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limit are set accordingly.

### 30. Estimation of uncertainties relating to COVID-19

The Company has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal sources of information and market based intelligence to arrive at its estimates.



# SHEETAL DIAMONDS LIMITED

## 31. Details of dues to micro and small enterprises as per MSMED Act, 2006

Amounts if any due to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.

## 32. Capital Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

As per our report of even date

**A.T.Jain & Co.**  
**Chartered Accountants**  
Firm Reg No:- 103886W

**For and on behalf of the Board of**  
**SHEETAL DIAMONDS LIMITED**

SD/-  
**Sushil Jain**  
Partner  
Membership No :- 033809  
Place : Mumbai  
Date : 29.06.2020

SD/-  
**Pankaj Shah**  
Director  
DIN: 03579870  
Place : Mumbai  
Date : 29.06.2020

SD/-  
**Vinod Shah**  
Managing Director  
DIN: 01859634  
Place : Mumbai  
Date : 29.06.2020

SD/-  
**Jai Shrimankar**  
Company Secretary  
PAN: CMIPS5563E  
Place : Mumbai  
Date : 29.06.2020

## **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.



## 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, 2020.			
2	Appointment of a Director in place of Mr. Vinod Shah who retires by rotation and being eligible offers himself for re-appointment.			
3	Appointment of M/s. A. T. Jain & Co., Chartered Accountants as Auditor.			

Place: MUMBAI

Date: 27<sup>th</sup> November, 2020

(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 26.09.2020 to 29.09.2020 at CDSL e-voting portal at [www.evotingindia.com](http://www.evotingindia.com), need not to vote through this Ballot Paper again.





# SHEETAL DIAMONDS LIMITED

## ATTENDANCE SLIP

### 26<sup>TH</sup> ANNUAL GENERAL MEETING ON 27<sup>TH</sup> NOVEMBER, 2020

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

I/we hereby record my/our presence at the **26<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company, to be held on Friday, 27<sup>th</sup> November, 2020 at 10.30 A.M. at the Coworking - BKC, 10<sup>th</sup> Floor, Parinee Cresenzo, C-30, G Block, Bandra Kurla Complex, Bandra East, BKC, Mumbai-400051.

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

**Note:**

- 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]

### 26<sup>TH</sup> ANNUAL GENERAL MEETING ON 27<sup>TH</sup> NOVEMBER, 2020

**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 26<sup>TH</sup> Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> November, 2020 at 10.30 A.M. at the Coworking-BKC, 10th Floor, Parinee Cresenzo, C-30, G Block, Bandra Kurla Complex, Bandra East, BKC, Mumbai - 400051. and at any adjournment thereof in respect of such resolution as are indicated below:

BOOK – POST  
(Printed Matter)

TO,

If Undelivered please return to:

**SHEETAL DIAMONDS LIMITED**

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