
ANNUAL REPORT 2010-2011

NOTICE

Notice is hereby given that the Twentyfifth Annual General Meeting of the Members of Professional Diamonds Limited will be held on Friday, 23rd September, 2011 at 10.00 A.M. at 85-C, Mittal Court, Nariman Point, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011, the Profit and Loss Account for the year ended as on that date together with Directors and Auditors Report thereon.
2. To appoint a Director in place of Mr. Rajendra Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Chandrakant Ruparelia who was appointed as an Additional Director by the Board of Directors under the provisions of Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Chandrakant Ruparelia as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

For and on behalf of the Board

Rajendra Bhandari
Director

Date : 31st May, 2011
Place : Mumbai

NOTES

1. MEMBERS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing proxy must be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2011 to 23rd September, 2011 (both days inclusive).
5. Members are requested to intimate immediately the changes, if any, in their address to the Company.

For and on behalf of the Board

Rajendra Bhandari
Director

Date : 31st May, 2011
Place : Mumbai

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.4

Mr. Chandrakant Ruparelia was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 15th March, 2011. Mr. Chandrakant Ruparelia will hold office as an Additional Director upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Chandrakant Ruparelia for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956. Mr. Chandrakant Ruparelia has a rich experience in diamond industry. In the beneficial interest of the Company, your Directors recommend the resolution for approval.

None of the Directors of the Company other than Mr. Chandrakant Ruparelia is in any way, concerned or interested in the said resolution.

PROFESSIONAL DIAMONDS LIMITED

REPORT OF THE BOARD OF DIRECTORS

To

The Members

Your Directors have pleasure in presenting their Twenty-fifth Annual Report together with the Audited Accounts for the year ended 31st March, 2011

FINANCIAL RESULTS

	For the year ended 31.03.2011 Rupees	For the year ended 31.03.2010 Rupees
Total Income	3,04,18,264	41,24,76,455
Gross Profit before Depreciation and Tax	1,44,327	91,049
Depreciation	68,410	68,410
Profit Before Tax	75,917	22,639
Provision for Tax - Current	(56,700)	(15,000)
- Deferred	85,567	(20,643)
Profit After Tax	1,04,784	28,282
Balance in Profit and Loss Account brought forward	1,14,99,924	1,15,00,900
Add: Exces/Short Provision for Tax	1,077	742
Less: Provision for Tax for earlier year	—	30,000
Profit Available for Appropriation	1,16,05,785	1,14,99,924
Appropriation		
Balance Carried Forward	1,16,05,785	1,14,99,924

DIVIDEND

The Directors do not recommend payment of dividend for the year.

OPERATIONS

During the year the Company achieved an income Rs. 304.18 Lakhs as compared to Rs. 4124.76 Lakhs in the previous year. The Company's Profit was Rs. 1,04,784 during the year as compared to a profit of Rs. 28,282 in 2009-10.

PROSPECTS

With improving market conditions, the Board is optimistic of better results ahead.

DIRECTORS

Mr. Rajendra Bhandari, retires by rotation, and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Mr. Chandrakant S. Ruparelia was appointed on 15th March, 2011 as an Additional Director of the Company and holds office upto the date of the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

Mr. Jaikumar Kapoor resigned from the Board with effect from 30th March, 2011. The Board of Directors places on record its appreciation for the services rendered by Mr. Jaikumar Kapoor during his tenure.

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AUDITORS

M/s. N. P. Jhaveri and Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

FIXED DEPOSIT

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

EMPLOYEES

None of the employees of the Company were in receipt of remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975 including Companies (Particulars of Employees) Amendment Rules, 2011 and Companies (Amendment) Act, 1988.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors state:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 ended 31st March, 2011 and of the profit of the Company for that financial year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the Annual Accounts on a going concern basis.

TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed.

LISTING

The Equity Shares of the company are listed at the Bombay Stock Exchange Limited. The Company has paid the annual listing fees to the above exchange.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the Company's employees for their Support.

For and on behalf of the Board

RAJENDRA BHANDARI
Director

CHANDRAKANT RUPARELIA
Director

Place : Mumbai
Date : 31st May, 2011

PROFESSIONAL DIAMONDS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

The particulars regarding conservation of energy are not applicable to the Company as the Diamond industry is not covered under the schedule prescribed by the said Rules.

B. TECHNOLOGY ABSORPTION

The particulars regarding absorption of technology is given below as per Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Research and Development (R&D)

(1) Specific areas in which R&D is carried out by the Company	}	
(2) Benefits derived as a result of the above R&D	}	NIL
(3) Future Plan of Action	}	
(4) Expenditure on R&D	}	

Technology absorption, adaptation and innovation:

- (1) Efforts in brief made towards technology absorption, adaptation and innovation: The Company is monitoring and reviewing the technological up gradation taking place in the industry.
- (2) Benefit derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc. Cost reduction
- (3) In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

(a) Technology Imported	}	
(b) Year of Import	}	NIL
(c) Has technology been fully absorbed	}	
(d) If not fully absorbed, areas where this has not	}	

 Taken place, reasons therefor and future plan of action

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange Earned : NIL

Total Foreign Exchange Used : NIL

For and on behalf of the Board

RAJENDRA BHANDARI
Director

CHANDRAKANT RUPARELIA
Director

Place : Mumbai
Date : 31st May, 2011

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ANNEXURE TO THE DIRECTORS' REPORT (COMPLIANCE CERTIFICATE)

THE MEMBERS OF

PROFESSIONAL DIAMONDS LIMITED

We have examined the registers, records, books and papers of **PROFESSIONAL DIAMONDS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2011**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company is registered under CIN No. L65990MH1985PLC037875 with the Registrar of Companies, Maharashtra and having its Registered Office at 85C Mittal Court, Nariman Point, Mumbai 400 021 has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns prescribed under the Act and the rules made thereunder as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Maharashtra or other authorities within the time prescribed under the Act.
3. The Company, being a Public Limited Listed Company, comments are not required
4. The Board of Directors duly met 11(**Eleven**) times on the under mentioned dates :
11th May, 2010; 31st May, 2010; 10th June, 2010; 19th June, 2010; 7th August, 2010; 11th August, 2010; 1st October, 2010; 10th November, 2010; 12th February, 2011; 15th March, 2011 and 30th March, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 14th September, 2010 to 21st September, 2010 and necessary compliance under Section 154 has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 21st September, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes book of the Company.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors or persons or firms or companies referred to Section 295 of the Act.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there are no instances which are covered by the provisions of Section 314 of the Act the Company was not required to obtain any approval from the Board of Directors, Members and Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.

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13. The Company has:
 - (i) delivered all the certificates on lodgment thereof for transfer of securities in accordance with the provisions of the Act and there was no allotments/transmission of securities during the financial year.
 - (ii) not deposited any amount in separate Bank Account as no dividend was declared during the financial year.
 - (iii) not posted warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional director have been duly made. There was no appointment of alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the year .
17. During the year the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies , Maharashtra or such other authorities as are prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/ other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no Preferential Share Capital nor has it issued any Debentures, hence there was no redemption of Preference Shares or Debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling with in the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2011.
25. The Company has not made loans or advances or given guarantees or provided securities to other body corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.

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28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against the Company nor were any show cause notices received by the Company and no fines or penalties or any other punishment has been imposed on the Company during the financial year for offences, if any, under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to deduct any contribution to Provident Fund during the financial year, as we have been informed that the same is not applicable to the Company.

Date : 31st May, 2011

ALWYN D'SOUZA & Co.,
Company Secretaries
(Alwyn P D'souza)
FCS.5559
(Proprietor)
Certificate of Practice No.5137

Office Address :

12-13, Esplanade, 3rd Floor
3, A.K.Nayak Marg,
Fort, Mumbai – 400 001.

PROFESSIONAL DIAMONDS LIMITED

Annexure A

Annexed to the Compliance Certificate

Registers as maintained by the Company

1. Application for and Allotment of Shares Register
2. Register of Members U/s. 150
3. Register of Charges U/s.143
4. Register of Transfers
5. Register of Directors, Managing Directors etc. U/s. 303
6. Register of Directors Shareholdings U/s. 307
7. Attendance Register
8. Register of Contracts U/s. 301
9. Register of Contracts, Companies and Firms in which Directors are interested U/s. 301(3)
10. Board Minutes Book and General Body Minutes Book Under Section 193
11. Books of Accounts U/s.209
12. Register of Fixed Assets

Note :

The Company has not maintained the following registers as there were no entries / transactions to be recorded therein

1. Register of Investments under section 49(7)
2. Register of deposits under section 58A

Annexure B

Annexed to the Compliance Certificate

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

1. Form No. 20B i.e., Annual Return filed under section 159 made upto 21st September, 2010 with normal filing fees.
2. Form No. 23AC and Form 23ACA i.e., Balance sheet filed under Section 220 for the year ended 31st March, 2010 with normal filing fees.
3. Form No. 66 i.e., Compliance Certificate filed under Section 383A(1) for the year ended 31st March, 2010 with normal filing fees.

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AUDITORS' REPORT

To,
The Members
Professional Diamonds Limited

We have audited the attached Balance Sheet of PROFESSIONAL DIAMONDS LIMITED as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. .

1. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in section 211 (3C) of the Companies Act 1956 ;
 - e) On the basis of written representations received from the Directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of Balance Sheet of the state of affairs of the Company as at 31 st March, 2011;
 - ii. In the case of Profit and Loss Account of the Profit for the year ended on that date; and
 - iii. In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For **N.P. JHAVERI & ASSOCIATES**
Chartered Accountants
(Firm Registration No 104237W)

Mumbai
Date : 31st May, 2011

Nitin P Jhaveri
Proprietor
Membership No 033851

PROFESSIONAL DIAMONDS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in para 2 of our report of even date on the accounts for the year ended 31st March, 2011 of **PROFESSIONAL DIAMONDS LIMITED**)

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of Fixed Assets.
(b) As explained to us, the fixed assets except the assets given on lease have been physically verified by the management during the year under review.
(c) Substantial part of fixed assets have not been disposed off during the year. As such the determination as to whether it has affected the going concern basis does not arise.
2. (a) The management, at proper intervals, has done physical verification of the inventories. In our opinion the frequency of the verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) During the year under review, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The terms and conditions of interest free unsecured loans given by the company to its employees are in our opinion prima facie not prejudicial to the interest of the company.
(c) The payments of principal amount is regular.
(d) There is no overdue amounts of loans and advances in excess of Rs. 100,000/-.
(e) During the year under review, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 or from any other parties. Therefore, the provisions of clause 4(iii)(f) and clause 4 (iii)(g) of the Companies (Auditor's Report) Order,2003 are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and sale of goods and services. During the course of the audit we have not observed any continuing failure to correct major weakness in internal control system.
5. (a) In our opinion and according to the information and explanations given to us and on the basis of the checks carried out by us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
(b) In the opinion of the management, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to the prevailing market prices, in view of the peculiar nature of the industry.
6. The Company has not accepted any deposits from the public. As such, the question of complying with the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder does not arise.
7. In our opinion, the company has no formal Internal Audit System as such, but its internal control procedures ensure reasonable checking of its financial and other records.

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8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, as such the question of reviewing the books of account to be maintained by the company pursuant to such an order does not arise.
9. (a) According to the records of the company, undisputed statutory dues including provident fund, employees state insurance, investor education and protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable have generally been regularly deposited with the appropriate authorities. No undisputed amounts are outstanding for more than six months at the end of the accounting year.
(b) According to the records of the company, there are no disputed amounts of statutory dues outstanding at the end of the accounting year.
10. The company has no accumulated losses and the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. The Company has not during the year under review availed of any loans from banks or financial institutions and also no debentures have been issued by the Company and as such the question of default in payments does not arise.
12. As informed to us, the company has not granted any loans and advances on the basis of security by way of pledge of any shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. As informed to us, the company has not given any guarantees for any loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
16. The company has not given availed of any term loans, hence the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
17. According to the information and explanations given to us and overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investments.
18. The company has not made any fresh allotment of shares. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
19. The company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. During the year under review, the company has not raised any monies by way of public issues. Hence, the question of verification of end use of monies raised in public issue as per the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 does not arise.
21. On the basis of our examinations and according to the information and explanations given to us, no fraud/s on or by the company has been noticed or reported during the course of our audit.

For **N.P. JHAVERI & ASSOCIATES**

Chartered Accountants
(Firm Registration No 104237W)

Nitin P Jhaveri

Proprietor
Membership No 033851

Mumbai
Date : 31st May, 2011

PROFESSIONAL DIAMONDS LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedules	Current Year Rupees	Previous Year Rupees
I. SOURCES OF FUNDS			
Shareholders Fund :			
a) Share Capital	A	20,000,000	20,000,000
b) Reserves & Surplus	B	31,785,493	31,679,632
		<u>51,785,493</u>	<u>51,679,632</u>
TOTAL		<u>51,785,493</u>	<u>51,679,632</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets :			
Gross Block	C	5,236,805	5,236,805
Less : Depreciation		4,874,019	4,805,609
		<u>362,786</u>	<u>431,196</u>
2. Investments :	D	100,500	100,500
3. Deferred Tax Assets	E	97,732	12,165
4. Current Assets,			
Loans and Advances :			
Current Assets	F	72,230,607	72,730,103
Loans and Advances		228,321	270,235
		<u>72,458,928</u>	<u>73,000,338</u>
Less: Current Liabilities and			
Provisions :			
Current Liabilities	G	20,643,522	21,513,071
Provisions		590,931	351,496
		<u>21,234,453</u>	<u>21,864,567</u>
Net Current Assets		51,224,475	51,135,771
TOTAL		<u>51,785,493</u>	<u>51,679,632</u>
NOTES ON ACCOUNTS	K		

As per our report attached

For N.P. Jhaveri & Associates
Chartered Accountants**Nitin P Jhaveri**
Proprietor
Mumbai, 31st May, 2011**For and on behalf of the Board****Rajendra Bhandari** - Director**Chandrakant Ruparelia** - Director

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedules	Current Year Rupees	Previous Year Rupees
I INCOME		
Sales	30,328,264	412,476,455
Other Income H	90,000	-
Total Income	30,418,264	412,476,455
II EXPENDITURE		
Material Cost I	28,952,590	411,746,256
Administrative and other expenses J	1,321,347	639,150
	30,273,937	412,385,406
III PROFIT		
Profit before Interest and Depreciation	144,327	91,049
Depreciation	68,410	68,410
Profit before Tax	75,917	22,639
Provision for Tax		
a) Provision for Tax	(56,700)	(15,000)
b) Deferred Tax Assets	85,567	20,643
Profit after Tax	104,784	28,282
Add : Balance brought forward	11,499,924	11,500,900
	11,604,708	11,529,182
Add : Excess provision for Tax and Expenses	1,077	742
	11,605,785	11,529,924
Less : Provision for Tax for earlier year	-	30,000
APPROPRIATIONS	11,605,785	11,499,924
Transfer to General Reserve	-	-
Balance carried to balance sheet	11,605,785	11,499,924
Earnings per Share	0.05	0.01
NOTES ON ACCOUNTS K		

As per our report attached

For N.P. Jhaveri & Associates
Chartered Accountants

Nitin P Jhaveri
Proprietor
Mumbai, 31st May, 2011

For and on behalf of the Board

Rajendra Bhandari - Director

Chandrakant Ruparelia - Director

PROFESSIONAL DIAMONDS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

	Current Year Rupees	Previous Year Rupees
SCHEDULE - A		
Share Capital		
Authorised		
40,00,000 Equity Shares of Rs. 10/- each	40,000,000	40,000,000
Issued and Subscribed		
20,00,000 Equity Shares of Rs. 10/- each	20,000,000	20,000,000
	20,000,000	20,000,000
SCHEDULE - B		
General Reserve		
As per last Balance Sheet	20,179,708	20,179,708
Surplus in Profit & Loss Account	11,605,785	11,499,924
	31,785,493	31,679,632

SCHEDULE - C

FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As On 01.04.10	Addi- tions	Deduc- tions	As On 31.03.11	As On 01.04.10	For the Year	Deduc- tions	As On 31.03.11	As On 31.03.11	As On 31.03.10
Office Premises	2,017,980	-	-	2,017,980	1,615,403	68,410	-	1,683,813	334,167	402,577
Furniture & Fixture	1,452,854	-	-	1,452,854	1,438,326	-	-	1,438,326	14,528	14,528
Electrical Installations	1,337,994	-	-	1,337,994	1,328,182	-	-	1,328,182	9,812	9,812
Office Equipments	427,977	-	-	427,977	423,698	-	-	423,698	4,279	4,279
TOTAL	5,236,805	-	-	5,236,805	4,805,609	68,410	-	4,874,019	362,786	431,196
Previous Year	5,236,805	-	-	5,236,805	4,737,199	68,410	-	4,805,609	431,196	499,606

SCHEDULE - D

Investment :

Non-trade Unquoted (at cost)		
National Savings Certificates (Deposited with Sales Tax Authorities)	100,000	100,000
10 Shares of Mittal Court Premises Co-op Society Ltd. of Face Value of Rs. 50/- each	500	500
	100,500	100,500

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SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

	Current Year Rupees	Previous Year Rupees
SCHEDULE - E		
Deferred Tax :		
Provision for Depreciation	(62,710)	(86,197)
Provision for Gratuity	160,442	98,362
	<u>97,732</u>	<u>12,165</u>
SCHEDULE - F		
Current Assets, Loans & Advances :		
A. Current Assets :		
1. Sundry Debtors		
(Unsecured - considered good)		
Debts outstanding for a period exceeding six months	43,932,548	8,642,683
Other Debts	28,011,006	63,889,264
	<u>71,943,554</u>	<u>72,531,947</u>
2. Cash and Bank Balances :		
Balance with Scheduled Banks:		
In Current Accounts	286,742	197,656
Cash Balances	311	500
	<u>287,053</u>	<u>198,156</u>
	<u>72,230,607</u>	<u>72,730,103</u>
B. Loans and Advances		
Advances recoverable in cash or kind or for value to be received	86,059	87,300
Advance Tax & Tax Deducted at source	82,514	123,187
Deposits	59,748	59,748
	<u>228,321</u>	<u>270,235</u>
Total	<u>72,458,928</u>	<u>73,000,338</u>
SCHEDULE - G		
Current Liabilities and Provisions :		
A. Current Liabilities :		
Sundry Creditors	20,635,472	21,511,871
Other Liabilities	8,050	1,200
	<u>20,643,522</u>	<u>21,513,071</u>
B. Provisions :		
Provision for Taxation	71,700	45,000
Provision for FBT	-	17,111
Provision for Gratuity	519,231	289,385
	<u>590,931</u>	<u>351,496</u>
Total	<u>21,234,453</u>	<u>21,864,567</u>

PROFESSIONAL DIAMONDS LIMITED

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH, 2011**

	Current Year Rupees	Previous Year Rupees
SCHEDULE - H		
Other Income :		
Rent Received	90,000	-
	90,000	-
SCHEDULE - I		
Material Cost :		
Opening Stock	-	-
Add : Purchases	28,952,590	411,746,256
Less : Closing Stock	-	-
	28,952,590	411,746,256
SCHEDULE - J		
Administrative & Other Expenses :		
Salaries & Allowances to Employees	992,075	416,900
Bank Charges	455	706
Advertisement & Sales Expenses	23,976	21,231
Legal & Professional Fees	23,693	12,800
Rent, Rates & Taxes	5,457	4,900
Licence Registration & Other Fees	13,730	15,130
Postage & Telephone Expenses	26,076	29,236
Printing & Stationery	25,697	22,464
Travelling & Conveyance Expenses	60,000	42,150
Electricity Charges	80,592	4,200
Miscellaneous Expenses	2,303	50
Society Maintenance Charges	67,293	69,383
	1,321,347	639,150

SCHEDULE - K

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

- a) Basis of Accounting : All income and expenditure items are accounted on accrual basis.
 - b) Fixed Assets : All fixed assets are valued at cost less depreciation.
 - c) Depreciation : Depreciation on fixed assets is provided on straight line basis as per section 205 (2) (b) of the Companies Act, 1956. Depreciation is provided on all fixed assets at the corresponding rates based on the Income Tax rates amended w.e.f. 2nd April 1987.
 - d) Inventories : The inventories are stated at lower of cost or net realisable value.
 - e) Foreign Exchange Transactions: Purchases and sales in foreign currency are accounted at exchange rates prevailing on the date of transaction. Current Assets and Liabilities in foreign currency as at Balance Sheet date are reconverted at the rates prevailing at the year end and the resultant net gains or loss are adjusted in the accounts.
 - f) Retirement Benefits : Provision for Gratuity is made for the actual liability at the year end
2. The company operates in one segment viz. diamonds. Hence the provision of Accounting Standard 17 'Segment Reporting' issued by the Institute of Chartered Accountants of India are not applicable.
3. There were no transactions with related parties based on disclosure certificate issued by the directors, hence no disclosure as per the provisions of Accounting Standard 18 'Related Party Transactions' is made
4. Use of Estimates :
- The preparation of financial statements in conformity with generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.
5. Impairment of Fixed Assets :
- Considering AS-28 - Impairment of Assets as specified by the Institute of Chartered Accountants of India, the Company at the end of each year determines whether there are any assets that require a provision for impairment loss.
- Impairment loss is charged to the profit and loss account in the year in which , an asset is identified as impaired, when the carrying rate of the asset exceeds its recoverable value. The impairment loss booked in prior accounting periods is reversed if there is a upward change in the estimate of recoverable account.
6. Long Term Investment are stated at cost of acquisition. Provision for diminution in the value of long term investment is made only if such diminution is considered other than temporary in nature.
7. Provisions, Contingent Assets and Contingent Liabilities :
- Provisions involving substantial degree of estimation in quantum are recognized when, there is and present, as a result of past events likely obligation with a high probability of an outflow of resources. Contingent Assets are not recognized nor disclosed in the financial statements. Contingent Liabilities, if material, are disclosed in the notes to the accounts.
8. Earnins per Share :
- Profit computation for both Basic and Diluted Earnings Per Share of Rs. 10 each

PROFESSIONAL DIAMONDS LIMITED

	Rupees	Rupees
Net Profit as per Profit and Loss Account available to Shareholders	104,784	(28,282)
Weighted average number of Equity Shares fully paid of Rs 10 each	2,000,000	(2,000,000)
Earnings Per Share (Basic and Diluted)	0.05	(0.01)
9. Legal and Professional Charges include payments to Statutory Auditors :		
a) Audit Fees	6,000	(6,000)
b) Tax Audit Fees	3,000	(2,000)
c) Other Capacity	3,000	(3,000)
	12,000	(11,000)

10. As per the information available with the Company and certified by them, total outstanding due to small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of is Nil (Nil).
11. Additional information pursuant to the provision of Paragraph 3 and 4 of part II of schedule VI to the Companies Act, 1956 (as certified by a Director and accepted by the Auditors).

	Purchases		Sales	
	Cts	Value	Cts	Value
Polished Diamonds	2,563	28,952,590	25,663	30,328,264
	(27,061)	(411,746,256)	(27,061)	(412,476,455)
Expenditure in Foreign Currency		NIL		(NIL)
Earning in Foreign Currency		NIL		(NIL)

12. Additional Information required under para 4-D of Part -II of Schedule VI to the Companies Act, 1956 as certified by a Director is as follows :
- a) Expenditure in Foreign Currency NIL (NIL)
- b) Earning in Foreign Currency NIL (NIL)
13. Other additional information pursuant to paragraph 4C and 4 D of part II of section VI to the Companies Act, 1956 : Nil/not applicable.
14. Previous year's figures have been regrouped wherever necessary so as to make them comparable with those of the current year.

As per our report attached

For and on behalf of the Board

For N.P. Jhaveri & Associates
Chartered Accountants

Rajendra Bhandari - Director

Nitin P Jhaveri
Proprietor
Mumbai, 31st May, 2011

Chandrakant Ruparelia - Director

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Information pursuant to part IV of the Companies Act, 1956. Balance Sheet Abstract and Company's General Business Profile.

i) Registration Details

Registration No : 37875 Status Code : 11
Balance Sheet Date : 31/03/2011

ii) Capital raised during the year (Amount in Rs. Thousands)

Public Issue : Nil Right Issue : Nil
Bonus Issue : Nil Private Placement : Nil

iii) Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

SOURCES OF FUNDS

Paid-up Capital : 20,000 Reserves & Surplus : 31,785
Secured Loans : Nil Unsecured Loans : Nil

APPLICATION OF FUNDS

Net Fixed Assets : 363 Investments : 100
Net Current Assets : 51,224 Misc.Expenditure : -
Deffered Tax Assets : 98

iv) Performance of the Company (Amount in Rs.Thousands)

Turnover : 30,418 Total Expenditure : 30,342
Profit/(Loss) Before Tax : 76 Profit/(Loss) After Tax : 105
Earning Per Share : 0.05 Dividend : -

v) General Names of three Principal Products / Services of the Company (as per monetary terms)

Item Code No.
(ITC Code) : 710239.01

As per our report attached

For N.P. Jhaveri & Associates
Chartered Accountants

Nitin P Jhaveri
Proprietor
Mumbai, 31st May, 2011

For and on behalf of the Board

Rajendra Bhandari - Director
Chandrakant Ruparelia - Director

PROFESSIONAL DIAMONDS LIMITED

Product Description : Diamonds

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011

(Rupees in Lakhs)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	0.76	1.05
Adjustment for:		
Depreciation	0.68	0.68
Interest	-	-
Excess Provisions for earlier years	-	-
Operating Profit Before Working Capital Changes	1.44	1.73
Adjustments For:		
Trade and Other Receivables	6.30	370.42
Inventories	-	-
Trade Payable	(6.28)	(370.22)
Cash generated From Operations	1.46	1.93
Interest Paid	-	-
Taxes (paid) / refund received (Net)	0.57	(0.06)
Net Cash from Operating Activities	0.89	1.99
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Net Cash used in Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	-	-
Proceeds from Short-term Borrowings	-	-
Dividend Paid	-	-
Net Cash used in Financing Activities	-	-
Net Change in Cash and Cash Equivalents	0.89	1.99
Cash and Cash Equivalents at the beginning of the year	1.98	0.76
Cash and Cash Equivalents at the close of the year	2.87	2.75
As per our report attached	For and on behalf of the Board	
For N.P. Jhaveri & Associates		
Chartered Accountants	Rajendra Bhandari	- Director
Nitin P Jhaveri	Chandrakant Ruparelia	- Director
Proprietor		
Mumbai, 31st May, 2011		



PROFESSIONAL DIAMONDS LIMITED

Regd. Office : 85-C, Mittal Court, Nariman Point, Mumbai - 400 021.

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Shares Held _____

Regd. Folio No. _____

(Name in BLOCK letters) _____

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company held at 85-C, Mittal Court, Nariman Point, Mumbai - 400 021 on Friday, 23rd September, 2011 at 10.00 a.m.

Member's/Proxy's Signature

Note : Members / Proxy holder are requested to bring their copy of the annual report with them at the Meeting.

PROFESSIONAL DIAMONDS LIMITED

Regd. Office : 85-C, Mittal Court, Nariman Point, Mumbai - 400 021.

PROXY FORM

Shares Held _____

Regd. Folio No. _____

(Name in BLOCK letters) _____

I/We _____ of _____ being a Member/

Members of the above-named Company, hereby appoint _____

_____ of _____ in

the district of _____ or failing him _____

of _____ in the district of _____ as my/our proxy

to vote for me/us and on my/our behalf at the 25th ANNUAL GENERAL MEETING of the

Company to be held on Friday, 23rd September, 2011 at 10.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2011.

Affix
One Rupee
Revenue
Stamp

Signature

Note: This form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

BOOK-POST

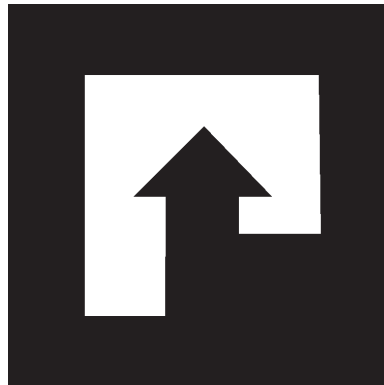
If undelivered, please return to :



PROFESSIONAL DIAMONDS LIMITED
85-C, Mittal Court, Nariman Point,
Mumbai - 400 021.

CRYSTAL (022) 6614 0900

**PROFESSIONAL
DIAMONDS
LIMITED**



**TWENTY FIFTH ANNUAL REPORT
2010-2011**

PROFESSIONAL DIAMONDS LIMITED

BOARD OF DIRECTORS

RAJENDRA BHANDARI

L. R. BHANSALI

CHANDRAKANT RUPARELIA

AUDITORS

M/S. N. P. JHAVERI & ASSOCIATES

REGISTERED OFFICE

**85-C, Mittal Court,
Nariman Point, Mumbai - 400 021.**
