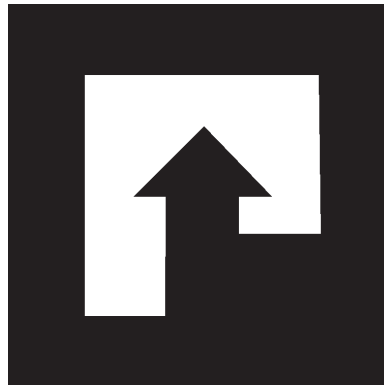


**PROFESSIONAL
DIAMONDS
LIMITED**



**TWENTY SIXTH ANNUAL REPORT
2011-2012**

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.

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NOTICE

Notice is hereby given that the Twenty sixth Annual General Meeting of the Members of Professional Diamonds Limited will be held on Friday, 21st September, 2012 at 11.00 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, 2012, 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. L. R. Bhansali, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

For and on behalf of the Board

Rajendra Bhandari
Director

Date : 30th May, 2012
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 : 30th May, 2012
Place : Mumbai

PROFESSIONAL DIAMONDS LIMITED

REPORT OF THE BOARD OF DIRECTORS

To

The Members

Your Directors have pleasure in presenting their Twenty-sixth Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

	For the year ended 31.03.2012 Rupees	For the year ended 31.03.2011 Rupees
Total Income	6,50,44,452	3,04,19,341
Gross Profit before Depreciation and Tax	1,28,997	1,45,404
Depreciation	68,410	68,410
Profit Before Tax	60,587	76,994
Provision for Tax - Current	(20,000)	(56,700)
- Deferred	22,618	85,867
Profit After Tax	63,205	1,05,861
Balance in Profit and Loss Account brought forward	1,16,05,785	1,14,99,924
Add: Exces/Short Provision for Tax	—	—
Less: Provision for Tax for earlier year	—	—
Profit Available for Appropriation	1,16,68,990	1,16,05,785
Appropriation		
Transfer to General Reserve	—	—
Balance Carried Forward	1,16,68,990	1,16,05,785

DIVIDEND

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

OPERATIONS

During the year the Company achieved an income Rs. 6,50,44,452 as compared to Rs. 3,04,19,341 in the previous year. The Company's Profit was Rs. 63,205 during the year as compared to a profit of Rs. 1,05,861 in the previous year.

PROSPECTS

With improving market conditions, Board is optimistic of better results ahead. The company has applied for membership in Multi Commodities Exchange and is hopeful of doing substantial business.

DIRECTORS

Mr. L. R. Bhansali, retires by rotation, and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

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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, 2012 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 : 30th May, 2012

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. 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.
- (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 : 30th May, 2012

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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, 2012**. 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 10 (Ten) times on the under mentioned dates
 - i. 05th April, 2011
 - ii. 30th May, 2011
 - iii. 31st May, 2011
 - iv. 06th August, 2011
 - v. 11th August, 2011
 - vi. 10th September, 2011
 - vii. 14th November, 2011
 - viii. 10th December, 2011
 - ix. 25th January, 2012
 - x. 14th February, 2012in 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 13th September, 2011 to 23rd September, 2011 and necessary compliance under section 154 has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 23rd September, 2011 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 loans to its directors or person or firms or companies referred to under section 295 of the Act.

PROFESSIONAL DIAMONDS LIMITED

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.
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 required to post 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 the director has been duly made. There were no appointment of additional director, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company is not required to appoint any Managing or Whole-time Director or Manager during the year under review.
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 approval 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 or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares nor 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 sections 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2012.

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25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept of 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 financial 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.
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 financial year under scrutiny.
30. The Company has not altered its Articles of Association of the Company during the financial year under scrutiny.
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.

Place : Mumbai
Date : 30th May, 2012

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

Office Address :
Annex - 103, Dimple Arcade,
Asha Nagar, Kandivli (E),
Mumbai – 400 101.

PROFESSIONAL DIAMONDS LIMITED

Annexure A

Annexed to the Compliance Certificate 30.05.2012

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 30.05.2012

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, 2012.

1. Form No. 32 i.e., for Appointment of Mr. Chandrakant Ruparelia as an Additional Director filed under section 303(2) of the Companies Act, 1956 with normal filing fees.
2. Form No. 32 i.e., for Cessation of Mr. Jaikumar Kapoor filed under section 303(2) of the Companies Act, 1956 with normal filing fees.
3. Form No. 32 i.e., for Change in Designation of Mr. Chandrakant Ruparelia as a Director filed under section 303(2) of the Companies Act, 1956 with normal filing fees.
4. Form No.66 i.e., Compliance Certificate for the year ended 31st March, 2011 filed under proviso to Section 383A of the Companies Act, 1956 with normal filing fees.
5. Form No. 20B i.e., Annual Return filed under section 159 of the Companies Act, 1956 for the year ended 31st March, 2011 with normal filing fees.
6. Form No. 23AC-XBRL and Form 23ACA-XBRL ie, Balance sheet filed under section 220 of the Companies Act, 1956 for the year ended 31st March, 2011 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, 2012 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, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 st March, 2012 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 31st March, 2012;
 - 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 : 30th May, 2012

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, 2012 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 has 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 there under 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

Mumbai
Date : May 30, 2012

Membership No 033851

PROFESSIONAL DIAMONDS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
A EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2.01	20,000,000	20,000,000
b) Reserves & Surplus	2.02	31,848,698	31,785,493
		51,848,698	51,785,493
2) Non-Current Liabilities			
a) Long - Term Provisions	2.03		519,231
3) Current Liabilities			
a) Trade Payables		18,617,132	20,574,655
b) Other Current Liabilities	2.04	67,303	68,867
c) Short - Term Provision	2.05	91,700	71,700
		18,776,135	20,715,222
Total		71,164,833	73,019,946
B ASSETS			
1) Non-Current Assets			
a) Fixed Assets			
Tangible Assets	2.06	294,376	362,786
b) Non Current Investment	2.07	100,500	100,500
c) Deferred Tax Assets	2.08	120,350	97,732
d) Long Term Loans and Advances	2.09	108,248	108,248
		623,474	669,266
2) Current Assets			
a) Trade Receivable	2.10	67,939,633	71,943,554
b) Cash & Cash Equivalents	2.11	163,468	287,053
c) Short Term Loans and Advances	2.12	2,438,259	120,073
		70,541,359	72,350,680
Total		71,164,833	73,019,946
Summary of Significant Accounting policies	1.00		
Notes to the Financial Statements	2.01 to 2.23		

As per our report attached

For N.P. Jhaveri & Associates
Chartered Accountants

Nitin P Jhaveri
Proprietor

Mumbai, 30th May, 2012

For and on behalf of the Board

Rajendra Bhandari - Director

Chandrakant Ruparelia - Director

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SATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	Note No.	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees	
I	Gross Revenue from Operations	2.13	64,924,088	30,328,264
II	Other Income	2.14	120,364	91,077
	Total Revenue		65,044,452	30,419,341
I	Expenses :			
	Purchase of Stock in Trade	2.15	63,904,663	28,952,590
	Employee Benefits Expenses	2.16	689,967	992,075
	Finance Costs	2.17	75	455
	Depreciation		68,410	68,410
	Other Expenses	2.18	320,750	328,817
	Total Expenses		64,983,865	30,342,347
III	Profit / (Loss) before Tax		60,587	76,994
	Provision for Tax :			
	a) Less : Provision for Tax		20,000	56,700
	b) Add : Deferred Tax		22,618	85,567
	Profit after Tax		63,205	105,861
	Earnings per Share			
	a) Basic	2.20	0.03	0.05
	b) Diluted	2.20	0.03	0.05

Summary of Significant Accounting policies 1.00
Notes to the Financial Statements 2.01 to 2.23

As per our report attached

For N.P. Jhaveri & Associates
Chartered Accountants

Nitin P Jhaveri
Proprietor

Mumbai, 30th May, 2012

For and on behalf of the Board

Rajendra Bhandari - Director

Chandrakant Ruparelia - Director

PROFESSIONAL DIAMONDS LIMITED

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2012

	Current Year Rupees	Previous Year Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	60,587	76,994
Adjustments for :		
Depreciation	68,410	68,410
Operating Profit before working capital changes	128,997	145,404
Adjustments for :		
Trade and Other Receivables	1,748,685	589,634
Trade Payable	(1,938,318)	(639,703)
Taxes paid	(62,950)	(6,438)
Cash generated from operating activities	(123,585)	88,897
B CASH FLOW FROM INVESTING ACTIVITIES	-	-
Net cash from investing activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net cash from financing activities	-	-
Net increase/(decrease) in cash and cash equivalent (A+B+C)	(123,585)	88,897
Cash and Cash equivalent as at 1 st April, 2011 (Opening Balance)	287,053	198,156
Cash and Cash equivalent as at 31 st March, 2012 (Closing Balance)	163,468	287,053

As per our report attached

For N.P. Jhaveri & Associates
Chartered Accountants

Nitin P Jhaveri
Proprietor

Mumbai, 30th May, 2012

For and on behalf of the Board

Rajendra Bhandari - Director

Chandrakant Ruparelia - Director

ANNUAL REPORT 2011-2012

2 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
NOTES - 2.01		
Share Capital :		
Authorised		
40,00,000 Equity Shares of Rs. 10/- each	40,000,000	40,000,000
Issued		
20,00,000 Equity Shares of Rs. 10/- each	20,000,000	20,000,000
Subscribed & Paid up :		
20,00,000 Equity Shares of Rs. 10/- each	20,000,000	20,000,000

Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year

Particulars		
Number of shares outstanding as at the beginning of the year	2,000,000	2,000,000
Add : Conversion of Warrants into Equity Shares	-	-
Number of shares allotted during the year as fully paid-up for cash	-	-
Number of shares outstanding as at the end of the year	2,000,000	2,000,000

Summary of Significant Accounting Policies followed by the Company

Basis of Preparation of Financial Statements :

These financial statements have been prepared on an accrual basis and under historical Cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) and the other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

Shares in the Company held by each shareholder holding more than 5% shares

Sl No	Name of the shareholder	Number of shares held in the Company	Percentage of Shares held	Number of shares held in the Company	Percentage of Shares held
1)	Diadem Investment & Finance Pvt Ltd	155,000	7.75	155,000	7.75
2)	Bombay Diamonds Company Pvt Ltd	199,200	9.96	199,200	9.96
3)	Jatin R. Mehta (H.U.F)	149,100	7.46	149,100	7.46
4)	Kohinoor Diamonds Pvt Ltd	149,100	7.46	149,100	7.46

PROFESSIONAL DIAMONDS LIMITED

NOTES - 2.02	Rupees	Rupees
General Reserve :		
As per last Balance Sheet	20,179,708	20,179,708
Surplus :		
As per last Balance Sheet	11,605,785	11,499,924
Transferred from Statement of Profit & Loss Statement	63,205	105,861
	11,668,990	11,605,785
	31,848,698	31,785,493

NOTES - 2.03

Non Current Liabilities :

Other Long Term Provisions :

Provision for Employee Benefits	540,000	519,231
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Current Liabilities :

NOTES - 2.04

i) **Other Current Liabilities :**

Other Payable	67,303	68,867
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NOTES - 2.05

ii) **Short - Term Provision :**

Provision for Taxation	91,700	71,700
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NOTES - 2.06

FIXED ASSETS - TANGIBLE

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As On 01.04.11	Addi- tions	Deduc- tions	As On 31.03.12	As On 01.04.11	For the Year	Deduc- tions	As On 31.03.12	As On 31.03.12	As On 31.03.11
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Office Premises	2,017,980	-	-	2,017,980	1,683,813	68,410	-	1,752,223	265,757	334,167
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	4,874,019	68,410	-	4,942,429	294,376	362,786
Previous Year	5,236,805	-	-	5,236,805	4,805,609	68,410	-	4,874,019	362,786	431,196

NOTES - 2.07

b) **Non Current Investment :**

Investment in Others Unquoted (Non Trade) (at Cost) :

Mittal Court Premises Co-op Society Ltd 10 Shares @ 50/- Per Share	500	500
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Investment in Government Securities :

Unquoted (Trade) fully Paid up at Cost

National Savings Certificates (Deposited in Government Department as Security)	100,000	100,000
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100,500 **100,500**

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Notes - 2.08	Rupees	Rupees
c) <u>Deferred Tax Assets :</u>		
<u>Assets :</u>		
Disallowance under the Income Tax Act 1961	166,860	160,442
<u>Liabilities :</u>		
Related to Depreciation	46,510	62,710
	120,350	97,732
Notes - 2.09		
d) Long Term Loans and Advances :		
Unsecured, Considered Good		
Security Deposits :	108,248	108,248
	108,248	108,248
Current Assets :		
Notes - 2.10		
i) Trade Receivable :		
a) Due for a period Exceeding Six Months		
Unsecured, Considered Good	-	43,932,548
b) Others		
Unsecured, Considered Good	67,939,633	28,011,006
	67,939,633	71,943,554
Notes - 2.11		
ii) Cash & Cash Equivalents :		
Balances with Bank in Current Accounts	155,636	286,742
Cash on Hand	7,832	311
	163,468	287,053
Notes - 2.12		
iii) Short Term Loans and Advances :		
Unsecured, Considered Goods		
Advances for Purchases	2,258,843	-
Loans to Staff	28,000	28,000
Prepaid Expenses	3,400	9,559
Vat, Income Tax & FBT Refund Receivable	148,016	82,514
	2,438,259	120,073
Notes - 2.13		
I Gross Revenue from Operations :		
<u>Sales :</u>		
Polished Diaomonds	64924088	30,328,264
Notes - 2.14		
Other Income :		
Rent Received	120,000	90,000
Bank Interest received	364	-
Miscellaneous Income	-	1,077
	120,364	91,077

PROFESSIONAL DIAMONDS LIMITED

<u>Notes - 2.15</u>	Rupees	Rupees
Material Cost :		
Purchase of Stock in Trade:		
Polished Diamonds	63,904,663	28,952,590
	<u>63,904,663</u>	<u>28,952,590</u>
 Notes - 2.16		
Employee Benefits Expenses :		
Salaries	669,198	762,229
Gratuity	20,769	229,846
	<u>689,967</u>	<u>992,075</u>
 Notes - 2.17		
Finance Costs :		
Bank Charges	75	455
 Notes - 2.18		
Other Expenses :		
Administrative & General Expenses :		
Electricity Charges	15,737	80,592
Advertisement and Sales Expenses	29,163	23,976
Payments to statutory auditors		
Audit Fees	6,000	6,000
Tax Audit Fees	3,000	3,000
Certification Charges	6,000	3,000
	<u>15,000</u>	<u>12,000</u>
Legal & Professional Charges	26,861	11,693
Rates and Taxes	5,050	5,457
Postage & Telephone Charges	25,587	26,076
Printing & Stationery	51,488	25,697
Travelling & Conveyance Expenses	73,469	60,000
Society Maintenane Charges	52,428	67,293
Licence Registration & other fees	23,224	13,730
Miscellaneous Expneses	2,743	2,303
	<u>320,750</u>	<u>328,817</u>

2.19 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

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2.20 Earnings per Share :

Profit computation for both Basic and Diluted earnings per share of Rs. 10 each

	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
Net Profit as per Profit and Loss Account available to Shareholders	63,205	(105,861)
Weighted average number of Equity Shares fully paid of Rs 10 each	2,000,000	(2,000,000)
Earnings per Share (Basic and Diluted)	0.03	(0.05)

2.21 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)

2.22 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 :

Expenditure in Foreign Currency	NIL	(NIL)
Earning in Foreign Currency	NIL	(NIL)

2.23 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 N.P. Jhaveri & Associates
Chartered Accountants

Nitin P Jhaveri
Proprietor

Mumbai, 30th May, 2012

For and on behalf of the Board

Rajendra Bhandari - Director

Chandrakant Ruparelia - Director

PROFESSIONAL DIAMONDS LIMITED

- 1 System of Accounting and Preparation of Financial Statements :**
- 1.01 Basis of Accounting : All income and expenditure items are accounted on accrual basis.
- 1.02 Fixed Assets : All fixed assets are valued at cost less depreciation.
- 1.03 Depreciation : Depreciation on fixed assets is provided on streight 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.
- 1.04 Inventories : The inventories are stated at lower of cost or net realisable value.
- 1.05 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 currecny 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.
- 1.06 Retirement Benefits : Provision for Gratuity is made for the actual liability at the year end
- 1.07 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.
- 1.08 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.
- 1.09 Long term Investment are stated at cost of acquisition. Provision for diminution in the value of long t erm investment is made only if such diminution is considered other than temporary in nature.
- 1.10 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 probablity 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.
- 1.11 Taxation :
a) Provisions for taxation is made after considering various relief's admissible under the provisions of the Income Tax Act, 1961.
b) Disputed amounts of tax are considered in contingent liabilities.
c) The Company has implemented 'Accounting Standard 22' - "Accounting of Taxes on Income", issued by the institute of Chartered Accountants of India which is mandatory in nature. The Company has recognized Deferred Taxes which result from the timing difference between the Book Profits and Tax Profits that originate in one period and are capable of reversal in one or more subsequent periods.

As per our report attached

For N.P. Jhaveri & Associates
Chartered Accountants

Nitin P Jhaveri
Proprietor

Mumbai, 30th May, 2012

For and on behalf of the Board

Rajendra Bhandari - Director

Chandrakant Ruparelia - Director



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 26th ANNUAL GENERAL MEETING of the Company held at 85-C, Mittal Court, Nariman Point, Mumbai - 400 021 on Friday, 11th September, 2012 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 26th ANNUAL GENERAL MEETING of the Company to be held on Friday, 11th September, 2012 at 10.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2012.

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