

**PROFESSIONAL
DIAMONDS
LIMITED**

**TWENTY SEVENTH ANNUAL REPORT
2012-2013**

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 Seventh Annual General Meeting of the Members of Professional Diamonds Limited will be held on Monday, 30th September, 2013 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, 2013, the Statement of Profit and Loss for the year ended as on that date together with Directors and Auditors Report thereon.
2. To appoint a Director in place of Mr. C. Ruparelia, 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

Chandrakant Ruparelia
Director

Date : 28th May, 2013

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 17th September, 2013 to 30th September, 2013 (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

Chandrakant Ruparelia
Director

Date : 28th May, 2013

Place : Mumbai

PROFESSIONAL DIAMONDS LIMITED

REPORT OF THE BOARD OF DIRECTORS

To

The Members

Your Directors have pleasure in presenting their Twenty-seventh Annual Report together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

	For the year ended 31.03.2013 Rupees	For the year ended 31.03.2012 Rupees
Total Income	1,74,91,333	6,50,44,452
Gross Profit before Depreciation and Tax	(2,40,100)	1,28,997
Depreciation	68,410	68,410
Profit Before Tax	(3,08,510)	60,587
Provision for Tax - Current	Nil	(20,000)
- Fringe benefit Tax		-
- Deferred	23,111	22,618
Profit After Tax	(2,85,399)	63,205
Balance in Profit and Loss Account brought forward	1,16,68,990	1,16,05,785
Add: Exces/Short Provision for Tax	-	-
Less: Provision for Tax for earlier year	-	-
Profit Available for Appropriation	1,13,83,591	1,16,68,990
Appropriation		
Transfer to General Reserve		-
Balance Carried Forward	1,13,83,591	1,16,68,990

DIVIDEND

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

OPERATIONS

During the year the Company achieved an income Rs. 174.91 lakhs as compared to Rs. 650.44 lakhs in the previous year. The Company incurred a loss of Rs. 285,399 during the year as compared to a profit of Rs. 63,205 in the previous year.

PROSPECTS

The company is hopeful of better performance in the coming year.

DIRECTORS

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

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.

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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 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 ended 31st March, 2013 and of the loss 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 : 28th May, 2013

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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.
- (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 : 28th May, 2013

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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, 2013**. 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 8 (Eight) times on the under mentioned dates
 1. 30.05. 2012
 2. 14.08.2012
 3. 31.08.2012
 4. 30.10.2012
 5. 10.11.2012
 6. 31.12.2012
 7. 13.02.2013
 8. 25.03.2013in 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, 2012 to 25th September, 2012 and necessary compliance under section 154 has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on Tuesday, 25th September, 2012 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.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.

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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, 2013.
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.

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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 : 28th May, 2013

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.

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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 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, 2013.

1. Form No. 20B i.e., Annual Return filed under section 159 of the Companies Act, 1956 for the year ended 31st March, 2012 with normal filing fees.
2. 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, 2012 with normal filing fees.
3. Form No.66 i.e., Compliance Certificate for the year ended 31st March, 2012 filed under proviso to Section 383A of the Companies Act, 1956 with additional filing fees.

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INDEPENDENT AUDITORS' REPORT

To the Members of Professional Diamonds Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Professional Diamonds Limited** (the "Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and the summary of significant accounting policies and other explanatory information, which we have signed under reference to the report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, 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;

PROFESSIONAL DIAMONDS LIMITED

- (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 those books;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors as at March 31, 2013, and taken on record by the Board of Directors and the information and explanations given to us, none of the directors is, prima-facie, disqualified as at March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Mumbai
Date : 28th May, 2013

Nitin P Jhaveri
Proprietor
Membership No 033851

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in para 1 under "Report on Other Legal and Requirements section of our report of even date)
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 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 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. During the year under review, the company has not granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according 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, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 required to be entered in the register maintained under that section.
(b) As the company has not entered into any contracts or arrangement with the parties mentioned in Para 5(a) above, the question of determining whether the prices are reasonable having regards to prevailing market price does not arise.
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,

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- 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.
 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 : 28th May, 2013

Membership No 033851

PROFESSIONAL DIAMONDS LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2013**

			As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
	Note No.			
A EQUITY AND LIABILITIES				
1) Shareholders' Funds				
a) Share Capital	2.01	20,000,000		20,000,000
b) Reserves & Surplus	2.02	<u>31,563,299</u>		<u>31,848,698</u>
			51,563,299	51,848,698
2) Non-Current Liabilities				
a) Long - Term Provisions	2.03		560,769	540,000
3) Current Liabilities				
a) Trade Payables		4,954,018		18,617,132
b) Other Current Liabilities	2.04	1,120,146		67,303
c) Short - Term Provision	2.05	<u>91,700</u>		<u>91,700</u>
			6,165,864	18,776,135
Total			<u>58,289,932</u>	<u>71,164,833</u>
B ASSETS				
1) Non-Current Assets				
a) Fixed Assets				
Tangible Assets	2.06	225,966		294,376
b) Non Current Investment	2.07	345,850		100,500
c) Deferred Tax Assets	2.08	143,461		120,350
d) Long Term Loans and Advances	2.09	<u>108,248</u>		<u>108,248</u>
			823,525	623,474
2) Current Assets				
a) Trade Receivable	2.10	54,210,942		67,939,633
b) Cash & Cash Equivalents	2.11	1,539,257		163,468
c) Short Term Loans and Advances	2.12	<u>1,716,208</u>		<u>2,438,259</u>
			57,466,407	70,541,359
Total			<u>58,289,932</u>	<u>71,164,833</u>
Summary of Significant Accounting policies	1.00			
Notes to the Financial Statements	2.01 to 2.23			

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**Chandrakant Ruparelia** - Director

Mumbai, 28th May, 2013

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SATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

	Note No.	As at 31 March 2013 Rupees	As at 31 March 2012 Rupees
I	Gross Revenue from Operations	17,285,892	64,924,088
II	Other Income	205,441	120,364
	Total Revenue	17,491,333	65,044,452
I	Expenses :		
	Purchase of Stock in Trade	16,754,018	63,904,663
	Employee Benefits Expenses	712,933	689,967
	Finance Costs	905	75
	Depreciation	68,410	68,410
	Other Expenses	263,577	320,750
	Total Expenses	17,799,843	64,983,865
III	Profit / (Loss) before Tax	(308,510)	60,587
	Provision for Tax :		
	a) Less : Provision for Tax		20,000
	b) Add : Deferred Tax	23,111	22,618
	Profit after Tax	(285,399)	63,205
	Earnings per Share		
	a) Basic	(0.14)	0.03
	b) Diluted	(0.14)	0.03

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, 28th May, 2013

For and on behalf of the Board

Rajendra Bhandari - Director

Chandrakant Ruparelia - Director

PROFESSIONAL DIAMONDS LIMITED**CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2013**

	Current Year Rupees	Previous Year Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(308,510)	60,587
Adjustments for :		
Depreciation	68,410	68,410
Operating Profit before working capital changes	(240,100)	128,997
Adjustments for :		
Trade and Other Receivables	14,472,133	1,751,237
Trade Payable	(12,589,502)	(1,938,318)
	1,642,531	(58,083)
Taxes paid	(21,392)	(65,502)
Cash generated from operating activities	1,621,139	(123,585)
B CASH FLOW FROM INVESTING ACTIVITIES	-	-
Purchases of Investments	345,350	-
Sale of Investments	100,000	-
Net cash from investing activities	(245,350)	-
C CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net cash from financing activities	-	-
Net increase/(decrease) in cash and cash equivalent (A+B+C)	1,375,789	(123,585)
Cash and Cash equivalent as at 1 st April, 2011 (Opening Balance)	163,468	287,053
Cash and Cash equivalent as at 31 st March, 2012 (Closing Balance)	1,539,257	163,468

As per our report attached

For N.P. Jhaveri & Associates
Chartered Accountants**Nitin P Jhaveri**
Proprietor

Mumbai, 28th May, 2013

For and on behalf of the Board**Rajendra Bhandari** - Director**Chandrakant Ruparelia** - Director

ANNUAL REPORT 2012-2013

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 standards notified under section 211 (3C) and 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.

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 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.
- 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 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.
- 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 an 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 term 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 probability of an outflow of resources. Contingent Assets are not recognized nor disclosed in the financial statements.
- 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.

PROFESSIONAL DIAMONDS LIMITED

2 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
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

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pay dividends in Indian Rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the no. of equity shares held by the shareholders.

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

NOTES - 2.02

Particulars	As at 31 March 2012 Rupees	As at 31 March 2011 Rupees
General Reserve :		
As per last Balance Sheet	20,179,708	20,179,708
Surplus :		
As per last Balance Sheet	11,668,990	11,605,785
Transferred from Statement of Profit & Loss Statement	(285,399)	63,205
	11,383,591	11,668,990
	31,563,299	31,848,698

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NOTES - 2.03	Rupees	Rupees
<u>Non Current Liabilities :</u>		
<u>Other Long Term Provisions :</u>		
Provision for Employee Benefits	<u>560769</u>	<u>540,000</u>

Current Liabilities :

NOTES - 2.04

i) <u>Other Current Liabilities :</u>		
Statutory Dues	8,000	-
Other Payable	<u>1,112,146</u>	<u>67,303</u>
	<u>1,120,146</u>	<u>67,303</u>

NOTES - 2.05

ii) <u>Short - Term Provision :</u>		
Provision for Taxation	<u>91,700</u>	<u>91,700</u>

NOTES - 2.06

FIXED ASSETS - TANGIBLE

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As On 01.04.12	Addi- tions	Deduc- tions	As On 31.03.13	As On 01.04.12	For the Year	Deduc- tions	As On 31.03.13	As On 31.03.13	As On 31.03.12
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Office Premises	2,017,980	-	-	2,017,980	1,752,223	68,410	-	1,820,633	197,347	265,757
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	4,942,429	68,410	-	5,010,839	225,966	294,376
Previous Year	5,236,805	-	-	5,236,805	4,874,019	68,410	-	4,942,429	294,376	362,786

NOTES - 2.07

b) **Non Current Investment :**

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

10 (Previous Year : 10) Equity Shares of Mittal Court Premises Co-op Society Ltd. fully paid of Rs. 50/- each	500	500
31,000 (Previous Year : Nil) Equity Shares of Forever Diamonds Pvt. Ltd. fully paid up of Rs. 100/- each	310,000	-
24,050 (Previous Year : Nil) Equity Shares of SRV Polished Diamond Company Ltd. fully paid up of Rs. 10/- each	24,050	-
11,300 (Previous Year : Nil) Equity Shares of J R Diamonds Pvt. Ltd fully paid up of Rs. 100/- each	11,300	-
	<u>345,850</u>	<u>500</u>

Investment in Government Securities :

Unquoted (Trade) fully Paid up at Cost

National Savings Certificates (Deposited in Government Department as Security)	-	100,000
	<u>345,850</u>	<u>100,500</u>

PROFESSIONAL DIAMONDS LIMITED

Notes - 2.08	Rupees	Rupees
c) <u>Deferred Tax Assets :</u>		
<u>Assets :</u>		
Disallowance under the Income Tax Act 1961	173,278	166,860
<u>Liabilities :</u>		
Related to Depreciation	29,817	46,510
	<u>143,461</u>	<u>120,350</u>
Notes - 2.09		
d) Long Term Loans and Advances :		
Unsecured, Considered Good		
Security Deposits :	108,248	108,248
	<u>108,248</u>	<u>108,248</u>
Current Assets :		
Notes - 2.10		
i) Trade Receivable :		
a) Due for a period Exceeding Six Months		
Unsecured, Considered Good	54,210,942	-
b) Others		
Unsecured, Considered Good	-	67,939,633
	<u>54,210,942</u>	<u>67,939,633</u>
Notes - 2.11		
ii) Cash & Cash Equivalents :		
Balances with Bank in Current Accounts	100,324	105,636
Other Bank Balances :		
Fixed Deposits with Bank	1,430,000	50,000
Cash on Hand	8,933	07,832
	<u>1,539,257</u>	<u>163,468</u>
Notes - 2.12		
iii) Short Term Loans and Advances :		
Unsecured, Considered Goods		
Advances for Purchases	-	2,258,843
Prepaid Expenses	-	3,400
Vat, Income Tax & FBT Refund Receivable	169,408	148,016
Others	1,546,800	28,000
	<u>1,716,208</u>	<u>2,438,259</u>
Notes - 2.13		
I Gross Revenue from Operations :		
Sales :		
Polished Diaomonds	17,285,892	64,924,088
Notes - 2.14		
Other Income :		
Rent Received	120,000	120,000
Interest Received on NSC	67,100	
Bank Interest received	18,341	364
	<u>205,441</u>	<u>120,364</u>

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Notes - 2.15	Rupees	Rupees
Purchase of Stock in Trade:		
Polished Diamonds	16,754,018	63,904,663
	16,754,018	63,904,663
Notes - 2.16		
Employee Benefits Expenses :		
Salaries	692,164	669,198
Gratuity	20,769	20,769
	712,933	689,967
Notes - 2.17		
Finance Costs :		
Bank Charges	905	75
Notes - 2.18		
Other Expenses :		
Administrative & General Expenses :		
Electricity Charges	-	15,737
Advertisement and Sales Expenses	41,416	29,163
Payments to statutory auditors		
Audit Fees	6,000	6,000
Tax Audit Fees	3,000	3,000
Certification Charges	6,000	3,000
	13,500	15,000
Legal & Professional Charges	15,117	26,861
Rates and Taxes	4,993	5,050
Postage & Telephone Charges	25,453	25,587
Printing & Stationery	31,336	51,488
Travelling & Conveyance Expenses	58,025	73,469
Society Maintenane Charges	42,164	52,428
Licence Registration & other fees	26,080	23,224
Miscellaneous Expneses	5,493	2,743
	263,577	320,750

PROFESSIONAL DIAMONDS LIMITED

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

2.20 Earnings per Share :

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

	Current Year Rupees	Previous Year Rupees
Net Profit as per Profit and Loss Account available to Shareholders	(285,399)	(63,205)
Weighted average number of Equity Shares fully paid of Rs 10 each	2,000,000	(2,000,000)
Earnings per Share (Basic and Diluted)	(0.14)	(0.03)

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 and on behalf of the Board

For N.P. Jhaveri & Associates
Chartered Accountants

Rajendra Bhandari - Director

Nitin P Jhaveri
Proprietor

Chandrakant Ruparelia - Director

Mumbai, 28th May, 2013



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 27th ANNUAL GENERAL MEETING of the Company held at 85-C, Mittal Court, Nariman Point, Mumbai - 400 021 on Monday, 30th September, 2013 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 27th ANNUAL GENERAL MEETING of the

Company to be held on Monday, 30th September, 2013 at 10.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2013.

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.

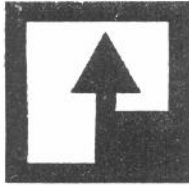
BOOK-POST

If undeliverd, please return to :



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

CRYSTAL +91 22 6614 0900



PROFESSIONAL DIAMONDS LIMITED

Regd. Office : 85-C, Mittal Court, 'C' Wing, Nariman Point, Mumbai - 400 021.
Phone : (91-22) 4091 6300 • Fax : (91-22) 4091 6333

AMENDMENTS TO EQUITY LISTING AGREEMENT

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	PROFESSIONAL DIAMONDS LIMITED
2.	Annual Financial statements for the year ended	31 st March, 2013
3.	Type of audit observation	Un-qualified
4.	Frequency of observation	N A
5.	Manager Auditor to the company	<i>N. P. Jhaveri</i> FOR PROFESSIONAL DIAMONDS LTD. DIRECTOR AUTHORIZED SIGNATORY N. P. JHAVERI & ASSOCIATES Chartered Accountants

Nitin Jhaveri
(NITIN P. JHAVERI)
Proprietor
M No 33851

