

PROFESSIONAL DIAMONDS LIMITED

CIN NO.:L65990MH1985PLC037875

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

7th September, 2015

The General Manager
Department of Corporate Services
BSE LIMITED
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Dear Sir/Madam,

Scrip Code: 523001

Sub: Clause 31 of the Listing Agreement

Pursuant to Clause 31 of the Listing Agreement, please find enclosed herewith Form B alongwith Annual Report for the Financial Year 2014-2015 of the Company.

Kindly acknowledge the receipt.

Thanking you.

Yours faithfully,
For **PROFESSIONAL DIAMONDS LIMITED**



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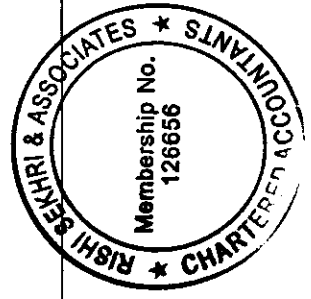
MANAGER

Encl.

Form B:

Name of the Company	PROFESSIONAL DIAMONDS LIMITED	PROFESSIONAL DIAMONDS LIMITED
Annual Financial Statements for the year ended	31st March, 2015	31st March, 2015
Type of Audit	Comments in Auditors Report	
Qualification of	Appeared earlier in Annual Report for the period ended 30/09/2014	Appeared earlier in Annual Report for the period ended 30/09/2014
Frequency of Qualification	ended 30/09/2014	Management Reply
Type of Audit Qualification	Basis for Disclaimer of Opinion	
Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors Report	<p>A In respect of Trade receivables, which form a significant amount of the Company's assets, amounting to Rs 47,254,644 the auditors have not received any confirmation of balances. The management has obtained confirmation of balances from the respective parties. The amounts have been outstanding for a considerable period of time taking into account the prevailing trade practice in respect of the Company's business. In view of the above we are unable to comment on the realisability of the debts, and any provision to be made for unrealisability in the carrying amounts of these balances and on the consequential impact on the financial statements.</p>	<p>Your company received an amount of Rs. 55 lacs in the year under review as against a balance of Rs. 524 lacs. The defaulting company has assured of more payments during the current year. Your company is contemplating legal action against the defaulting customers to recover its dues. Your company is following up with other companies who are also in default namely Forever Diamonds Pvt Ltd and Winsome Diamonds and Jewellery Limited. As informed, all these companies' workings are centered around the revival of Winsome Diamonds and Jewellery Ltd. who are to receive more than Rs. 4500 crores from its overseas customers and against whom they have filed legal suits for recovery in the court at UAE. Your company has been assured of the payment of outstanding amounts once they receive the money from its customers.</p>

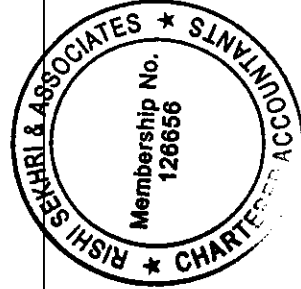
For Rishi Sekhri and Associates
Chartered Accountants
[Signature]
Rishi Sekhri
Proprietor
Membership No: 126656



	<p>B The Company has made long term investments in Forever Diamonds Pvt. Ltd., SRV Polishing Technologies and J R Diamonds Pvt Ltd. amounting to Rs.3,45,300. The said investments continue to be valued at cost. In absence of availability of audited financial statements of the above mentioned companies we are unable to comment on the carrying costs of such investments and the provision for diminution in their value. We are unable to comment on the impact of the financial statements of provision for diminution in value of investments.</p>	<p>The investments in companies were done during 2012-13. It is too premature to write off these investments.</p>
	<p>C In view of what has been stated above regarding recoverability of trade receivables which form a significant amount of the Company's assets and the impact it could have on the Company's financials, we are unable to conclude on the ability of the Company to carry on as a going concern.</p>	<p>The customers have confirmed the balances and have indicated willingness to clear the same at the earliest. They are facing cash flow problems and as such are unable to pay to the company. The company received small sums during the year under consideration from the companies. As informed, all these companies' workings are centered around the revival of Winsome Diamonds and Jewellery Ltd. who are to receive more than Rs. 4500 crores from its overseas customers and against whom they have filed legal suits for recovery in the court at UAE. Your company has been assured of the payment of outstanding amounts once they receive the money from its customers.</p>



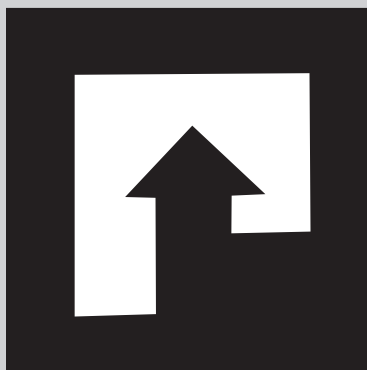
For Rishi Sekhri and Associates
Chartered Accountants
[Signature]
Rishi Sekhri
Proprietor
Membership No: 126656



	Basis of Opinion	
Frequency of Qualification	<p>Appeared earlier in Annual Report for the period ended 30/09/2014</p> <p>Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph specifically relating to realisability of Trade Receivables, we have not been able to obtain audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statement.</p>	<p>Appeared earlier in Annual Report for the period ended 30/09/2014</p> <p>The customers have confirmed the balances and have indicated willingness to clear the same at the earliest. They are facing cash flow problems and as such are unable to pay to the company. The company received small sums during the year under consideration from the companies. As informed, all these companies' workings are centered around the revival of Winsome Diamonds and Jewellery Ltd. who are to receive more than Rs. 4500 crores from its overseas customers and against whom they have filed legal suits for recovery in the court at UAE. Your company has been assured of the payment of outstanding amounts once they receive the money from its customers.</p>
To be signed by		<p>PROFESSIONAL DIAMONDS LIMITED D. S. Sekhri</p>
Auditor of the Company	<p>For Rishi Sekhri and Associates Chartered Accountants <i>[Signature]</i> Rishi Sekhri Proprietor Membership No: 126656</p>	<p>PROFESSIONAL DIAMONDS LIMITED <i>[Signature]</i> Director / Authorised Signatory</p>



PROFESSIONAL DIAMONDS LIMITED



**TWENTY NINTH
ANNUAL REPORT 2014-2015**

PROFESSIONAL DIAMONDS LIMITED

BOARD OF DIRECTORS

L R BHANSALI

SHAMBHUBHAI RUPARELIA - Additional Director

DHARMENDRA RUPARELIA - Additional Director

REGISTERED OFFICE

**85 C, MITTAL COURT NARIMAN POINT,
MUMBAI 400 021.**

NOTICE

Notice is hereby given that the Twenty-ninth Annual General Meeting of the members of Professional Diamonds Limited will be held on Tuesday 29th September, 2015 at 10.30 A.M. at 85 C, Mittal Court, Nariman Point, Mumbai 400 021 to transact the following business.

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2015, the Statement of 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 (DIN 00336959), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

“**RESOLVED THAT** pursuant to provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, Rishi Sekhri and Associates, Chartered Accountants (Firm Regn. No. 128216W), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty-second Annual General Meeting of the Company to be held in the year 2018, subject to ratification by the shareholders annually at such remuneration as shall be fixed by the Audit Committee/ Board of Directors of the Company from time to time in consultation with the Auditors plus applicable service taxes and reimbursement of travelling and out of pocket expense incurred by them for the purpose of audit .”

AS SPECIAL BUSINESS

4) Appointment of Mr. Shambhubhai Ruparelia as Director

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

“**RESOLVED THAT** Mr. Shambhubhai Ruparelia (DIN: 00345186) who was appointed as an Additional Director by the Board of Directors under the provisions of Section 161(1) of the Companies Act, 2013 read with Article 147(1) of the Articles of Association of the Company, 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 160 of the Companies Act, 2013 from a member signifying his/its intention to propose Mr. Shambhubhai 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.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Shambhubhai Ruparelia (DIN : 00345186), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 34th Annual General Meeting in the calendar year 2020.”

5. Appointment of Mr. Dharmendra Ruparelia as Director

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

PROFESSIONAL DIAMONDS LIMITED

“**RESOLVED THAT** Mr. Dharmendra Ruparelia (DIN: 05242889) who was appointed as an Additional Director by the Board of Directors under the provisions of Section 161(1) of the Companies Act, 2013 read with Article 147(1) of the Articles of Association of the Company, 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 160 of the Companies Act, 2013 from a member signifying his/its intention to propose Mr. Dharmendra 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.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dharmendra Ruparelia (DIN : 05242889), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 34th Annual General Meeting in the calendar year 2020.”

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 the proxy must be deposited with the company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. Members/Proxy 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 Thursday 24th September, 2015 to Tuesday 29th September, 2015 (both days inclusive).
5. Members are requested to intimate changes, if any, in their address to the company.

For and on behalf of the Board

Dharmendra Ruparelia
Director

Date: August 14, 2015

Place: Mumbai

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE SPECIAL BUSINESS SPECIFIED IN THE NOTICE CONVENING THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE COMPANY.

ITEM NO. 4

Mr. Shambhubhai Ruparelia (DIN 00345186) was appointed as an Additional Director by the Board of Directors on February 6, 2015 pursuant to provisions of Section 161 and other applicable provisions of the Companies Act, 2013. Mr. S Ruparelia will hold office of Additional Director up to the date of the forthcoming Annual General Meeting. The company has received a Notice from a member along with deposit of requisite amount to the provisions of Section 160 of the Companies Act, 2013 signifying the intention to propose the name of Mr. Shambhubhai Ruparelia as a Director of the Company. Mr. Shambhubhai Ruparelia has filed with the Company his consent to act as a Director.

Mr. Shambhubhai Ruparelia may be deemed to be concerned or interested in the Resolution as it relates to his own appointment.

None of the other Directors/ Key Management Personnel of the Company/ their relatives are, in any way, concerned interested financially or otherwise in this resolution.

ITEM NO. 4

Mr. Dharmendra Ruparelia (DIN 05242889) was appointed as an Additional Director by the Board of Directors on February 6, 2015 pursuant to provisions of Section 161 and other applicable provisions of the Companies Act, 2013. Mr. Dharmendra Ruparelia will hold office of Additional Director up to the date of the forthcoming Annual General Meeting. The company has received a Notice from a member along with deposit of requisite amount to the provisions of Section 160 of the Companies Act, 2013 signifying the intention to propose the name of Mr. Dharmendra Ruparelia as a Director of the Company. Mr. Dharmendra Ruparelia has filed with the Company his consent to act as a Director.

Mr. Dharmendra Ruparelia may be deemed to be concerned or interested in the Resolution as it relates to his own appointment.

None of the other Directors/ Key Management Personnel of the Company/ their relatives are, in any way, concerned interested financially or otherwise in this resolution.

For and on behalf of the Board

Dharmendra Ruparelia
Director

Date: August 14, 2015

Place: Mumbai

PROFESSIONAL DIAMONDS LIMITED

REPORT OF THE BOARD OF DIRECTORS

To

The Members

Your Directors present the Twenty-ninth Annual Report together with the Audited Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
Total Income	121,012	175,366
Gross Profit before Depreciation and Tax	(1,186,682)	(1,947,533)
Depreciation	904	68,410
Profit Before Tax	(1,187,586)	(2,015,943)
Provision for Tax - Current		
- Adjustments		5,619
- Deferred	(302,813)	143,352
Profit After Tax	(1,490,399)	(1,866,972)
Balance in Profit and Loss Account brought forward	9,516,619	11,383,591
Add: Excess/Short Provision for Tax	-	-
Less: Provision for Tax for earlier year	-	-
Profit Available for Appropriation	8,026,220	9,516,619
Appropriation		
Transfer to General Reserve		
Balance Carried Forward	8,026,220	9,516,619

OPERATIONAL REVIEW

The revenues during the year under review were Rs. 121,012 as against Rs.175,366 in the previous year. Net Loss after tax during the year was Rs.14,90,399 as against a net loss of Rs.18,66,972 in the previous year. During the year under review the company was able to realize only a small part of its outstanding receivables from Bombay Diamonds Co. Pvt Ltd. As against a total outstanding of Rs. 451 lacs your company received only Rs. 55 lacs. Your company is contemplating legal action against the defaulting customers to recover its dues.

Your company is also following from other companies, who are in default of payment, namely, Forever Diamonds Pvt Ltd and Winsome Diamonds and Jewellery Limited. We are informed that these companies' workings are centered around the revival of Winsome Diamonds and Jewellery Ltd. who are to receive more than Rs. 4500 crores from its overseas customers and against whom they have filed legal suits for recovery in the court at UAE and are awaiting the outcome of the same.

DIVIDEND

Your directors do not recommend any dividend for the year under consideration.

SHARE CAPITAL

The paid up capital of the company stood at Rs. 200 lacs. There were no fresh equity issues during the year.

FINANCE

The cash and cash equivalent was Rs. 407,932. The company does not enjoy any working capital facilities.

FIXED DEPOSIT

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees covered under the provisions of section 186 of the

Companies Act, 2013. The detail of investments made by the company is given in the notes to the financial statements.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has internal control system commensurate with its size.

CORPORATE SOCIAL RESPONSIBILITY

In view of the losses incurred during the year and the net worth & turnover below the prescribed limits, the provisions of Section 135 of the Companies Act, 2013 relevant to 'Corporate Social Responsibility' does not apply to the Company and therefore not required to constitute Corporate Social Responsibility Committee and has also not made any provisions towards the same.

OTHER COMMITTEES

The company has constituted the Audit Committee which presently consists of Mr. L R Bhansali, Mr. Shambhubhai Ruparelia and Mr. Dharmendra Ruparelia.

The company has also constituted the Nomination and Remuneration Committee which presently consists of Mr. L R Bhansali, Mr. Shambhubhai Ruparelia and Mr. Dharmendra Ruparelia.

CONSERVATION OF ENERGY

The particulars regarding conservation of energy are not applicable to the Company as the company has no manufacturing activities.

TECHNOLOGY ABSORPTION

In the absence of any production activity there is no need for any technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review there were no foreign exchange earnings or outflow.

INDUSTRIAL RELATIONS

The company does not have any manufacturing facility and hence no industrial relation criteria applicable.

DIRECTORS

Mr. L R Bhansali (DIN 00336959) who retires by rotation and being eligible offers himself for re-appointment. Mr. Shambhubhai B Ruparelia (DIN 00345186) and Mr. Dharmendra S Ruparelia (DIN 05242889) were appointed as Additional Directors of the Company and hold office up to the date of forthcoming Annual General Meeting.

Mr Chandrakant B Ruparelia (DIN 03466930) resigned w.e.f. 14th February, 2014. The Board wishes to place on record the services of Mr. Chandrakant Ruparelia during his tenure as director of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- (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, 2015 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, 2013 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.
- (v) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively

APPLICABILITY TO CLAUSE 49 OF THE LISTING AGREEMENT

Clause 49 of the Listing Agreement related to 'Corporate Governance' is not applicable to the Company vide SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014. Therefore Corporate Governance Report is not annexed to the Directors' Report. Nevertheless, the Company adheres to the Corporate Governance norms in true spirit.

PROFESSIONAL DIAMONDS LIMITED

RELATED PARTY TRANSACTIONS

There are no related party transaction during the year under review.

SUBSIDIARY COMPANIES

The company does not have any subsidiary.

WHISTLE BLOWER POLICY

The Company has a vigil mechanism policy to deal with instances of fraud and mis-management, if any.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code required pre-clearance for dealing the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and designated employees while in possession of unpublished sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for the implementation of the Code.

All Board Directors and designated employees have complied with the Code.

AUDITORS' REPORT

The observation and qualifications made in the Auditor's Report (*in italics*) are followed by appropriate Board's reply and explanation (**In Bold**) as under:

Basis for Disclaimer of Opinion

A In respect of Trade receivables, which form a significant amount of the Company's assets, amounting to Rs 47,254,644 the auditors have not received any confirmation of balances. The management has obtained confirmation of balances from the respective parties. The amounts have been outstanding for a considerable period of time taking into account the prevailing trade practice in respect of the Company's business. In view of the above we are unable to comment on the realisability of the debts, and any provision to be made for unrealisability in the carrying amounts of these balances and on the consequential impact on the financial statements.

Your company received an amount of Rs. 55 lacs in the year under review as against a balance of Rs. 524 lacs. The defaulting company has assured of more payments during the current year. Your company is contemplating legal action against the defaulting customers to recover its dues. Your company is following up with other companies who are also in default namely Forever Diamonds Pvt Ltd and Winsome Diamonds and Jewellery Limited. As informed, all these companies' workings are centered around the revival of Winsome Diamonds and Jewellery Ltd. who are to receive more than Rs. 4500 crores from its overseas customers and against whom they have filed legal suits for recovery in the court at UAE. Your company has been assured of the payment of outstanding amounts once they receive the money from its customers.

B The Company has made long term investments in Forever Diamonds Pvt. Ltd., SRV Polishing Technologies and J R Diamonds Pvt Ltd. amounting to Rs.3,45,300. The said investments continue to be valued at cost. In absence of availability of audited financial statements of the above mentioned companies we are unable to comment on the carrying costs of such investments and the provision for diminution in their value . We are unable to comment on the impact of the financial statements of provision for diminution in value of investments.

The investments in companies were done during 2012-13. It is too premature to write off these investments.

C In view of what has been stated above regarding recoverability of trade receivables which form a significant amount of the Company's assets and the impact it could have on the Company's financials, we are unable to conclude on the ability of the Company to carry on as a going concern.

The customers have confirmed the balances and have indicated willingness to clear the same at the earliest. They are facing cash flow problems and as such are unable to pay to the company. The company received small sums during the year under consideration from the companies. As informed, all these companies' workings are centered around the revival of Winsome Diamonds and Jewellery Ltd. who are to receive more than Rs. 4500 crores from its overseas customers and against whom they have filed legal suits for recovery in the court at UAE. Your company has been assured of the payment of outstanding amounts once they receive the money from its customers.

Basis of Opinion

Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph specifically relating to realisability of Trade Receivables, we have not been able to obtain audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statement.

The customers have confirmed the balances and have indicated willingness to clear the same at the earliest. They are facing cash flow problems and as such are unable to pay to the company. The company received small sums during the year under consideration from the companies. As informed, all these companies' workings are centered around the revival of Winsome Diamonds and Jewellery Ltd. who are to receive more than Rs. 4500 crores from its overseas customers and against whom they have filed legal suits for recovery in the court at UAE. Your company has been assured of the payment of outstanding amounts once they receive the money from its customers.

AUDITORS

Pursuant to section 139 of the Companies Act, 2013 and the rules framed thereunder Rishi Sekhri and Co., Chartered Accountants, Mumbai were appointed as statutory auditors of company from the conclusion of 28th Annual general meeting held on 29th September, 2014 till the conclusion of 32nd Annual General Meeting to be held in the year 2018, subject to ratification of their appointment at every AGM.

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 the Company has appointed S G and Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure A".

The directors refer to the observations of the Secretarial Auditor and wish to state that the Company is taking necessary steps to do the needful.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B"

PARTICULARS OF REMUNERATION

Disclosures pertaining to remuneration and other details as required under section 197(12) of Companies Act, 2013 read with Rule 5(1), of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 -- Nil

None of the employees received remuneration in excess of the limits as prescribed in the information required pursuant to Section 197 read with sub rule (2) of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company.

PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

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

Place : Mumbai

Shambhubhai Ruparelia

Dharmendra Ruparelia

Date : August 14, 2015

Director

Director

PROFESSIONAL DIAMONDS LIMITED

Annexure A

Form No. MR-3

Secretarial Audit Report

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

Secretarial Audit Report

For the Financial Year ended 31st March, 2015

To,

The Members,

PROFESSIONAL DIAMONDS LIMITED,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Professional Diamonds Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- V. Other laws applicable to the Company as per the representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards by The Institute of Company Secretaries of India. The same was not notified by the ICSI till 31st March, 2015.
- b) The Listing Agreements entered into by the Company with BSE.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above, except:

- i) ***Form MGT-14 in respect of Unaudited Financial Result for Quarter ended 30th June, 2014, 30th September, 2014 & 31st December, 2014 has not been filled with MCA.***

- ii) *The Company is taking necessary steps to formulate Official Website of the Company according to Companies Act, 2013.*
- iii) *As per the Companies Act, 2013, Company is under the process of appointing key managerial personal & Women Director.*

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were carried out unanimously by the members of the Board and Committees and the same were duly recorded in the minutes of the meeting of the Board of Directors and Committees of the Company.

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

I further report that during the audit period, there were no instances of:

- i. Public / Rights / Preferential issue of shares / debentures / sweat equity.
- ii. Buy-Back of securities.
- iii. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations

This Report is to be read with our letter of even date which is annexed as Annexure and Forms an integral part of this Report.

**For SG and Associates,
Company Secretaries**

**Suhas Ganpule,
Proprietor,
Membership No: 12122
C. P No: 5722**

Date: August 12, 2015

Place: Mumbai

PROFESSIONAL DIAMONDS LIMITED

Annexure to Secretarial Auditor's Report

To,
The Members,

Professional Diamonds Limited,

Mumbai.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have reported, in our audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in our opinion, are material and having major bearing on financials of the Company.

For **SG & Associates**

(Suhas S. Ganpule)
Practising Company Secretary
Proprietor
Membership No. 12122 /CP No. 5722

Date: 12th August, 2015
Place: Mumbai

**“Annexure B”
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L65990MH1985PLC037875
ii	Registration Date	28/10/1985
iii	Name of the Company	PROFESSIONAL DIAMONDS LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v	Address of the Registered office & contact details	85 - C, MITTAL COURT, NARIMAN POINT, MUMBAI 400 021.
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	IN HOUSE MANAGEMENT OF TRANSFERS

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr No	Name & Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	TRADING IN DIAMONDS	36912	No turnover

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	FOREVER DIAMONDS PVT LTD	U36912GJ1988PTC068428	ASSOCIATE	49.58	2(6)
2	J R DIAMONDS PVT LTD	U36912GJ1977PTC072127	ASSOCIATE	45.20	2(6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	149100	149100	7.46	0	149100	149100	7.46	
b) Central Govt. or State Govt.	0	0	0	-	0	0	0	-	
c) Bodies Corporates	0	643595	643595	32.18		643595	643595	32.18	
d) Bank/FI	0	0	0	-	0	0	0	-	
e) Any other	0	0	0	-	0	0	0	-	
SUB TOTAL:(A) (1)	0	792695	792695	39.63	0	792695	792695	39.63	

PROFESSIONAL DIAMONDS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	
b) Other Individuals	0	0	0	0	0	0	0	0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	
d) Banks/Fl	0	0	0	0	0	0	0	0	
e) Any other	0	0	0	0	0	0	0	0	
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	0	0	792695	39.63	0	0	792695	39.63	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	
b) Banks/Fl	0	600	600	0.03	0	600	600	0.03	
C) Central govt	0	0	0	0	0	0	0	0	
d) State Govt.	0	0	0	0	0	0	0	0	
e) Venture Capital Fund	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	0	0	0	0	
g) FIs	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	
i) Others (specify)	0	0	0	0	0	0	0	0	
SUB TOTAL (B)(1):	0	600	600	0.03	0	600	600	0.03	0.00
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	9000	9000	0.45	0	9000	9000	0.45	
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals	0	0	0	0	0	0	0	0	
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	1197705	1197705	59.89	0	1197705	1197705	59.89	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	
c) Others (specify)	0	0	0	0	0	0	0	0	
c-i) Clearing Member	0	0	0	0	0	0	0	0	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c-ii) Foreign Company	0	0	0	0	0	0	0	0	
c-iii) Hindu Undivided Family	0	0	0	0	0	0	0	0	
c-iv) Trust	0	0	0	0	0	0	0	0	
c-v) Non resident India (Repat)	0	0	0	0	0	0	0	0	
c-vi) Non-Resident Indan(Non Repat)	0	0	0	0	0	0	0	0	
SUB TOTAL (B)(2):	0	1206705	1206705	60.34	0	1206705	1206705	60.34	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	1207305	1207305	60.37	0	1207305	1207305	60.37	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	-	0	0	0	-	
Grand Total (A+B+C)	0	2000000	2000000	100.00	0	2000000	2000000	100.00	0

(ii) SHAREHOLDING OF PROMOTERS

Sr No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	DIADEM INVESTMENT AND FINANCE PVT. LTD.	155000	7.75	0	155000	7.75	0	
2	BOMBAY DIAMONDS COMPANY PVT. LTD.	199200	9.96	0	199200	9.96	0	
3	JATIN R MEHTA (H.U.F.)	149100	7.46	0	149100	7.46	0	
4	KOHINOOR DIAMONDS PVT LTD	149100	7.46	0	149100	7.46	0	
5	SJR COMMODITIES AND CONSULIANCIES PVT LTD	40500	2.03	0	40500	2.03	0	
6	URBI ELECTRONICS PVT LTD	99795	4.99	0	99795	4.99	0	
	Total	792695	39.65	0	792695	39.65	0	0

PROFESSIONAL DIAMONDS LIMITED

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE) :
NOT APPLICABLE

Sr. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	DEEPAK JOSHI	6700	0.335	6700	0.335
2	SUNIL KEDIA	5600	0.280	5600	0.280
3	NANAK RAM SANGHI	5000	0.250	5000	0.250
4	SEVTI DEVI SANGHI	5000	0.250	5000	0.250
5	LANCELOT NORMAN D'SOUZA	5000	0.250	5000	0.250
6	VIPUL DYES AND CHEMICALS PVT LTD	3800	0.190	3800	0.190
7	PUSHPA GANDHI	3300	0.165	3300	0.165
8	RAKHI SHAH	3000	0.150	3000	0.150
9	PAMELA KANORIA	3000	0.150	3000	0.150
10	S B VITHALANI	3000	0.150	3000	0.150

(v) Shareholding of Directors & KMP

Sr. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
NIL					

V INDEBTEDNESS

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

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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sr.No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.		
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock option		
3	Sweat Equity		NIL
4	Commission		
	as % of profit		
	others (specify)		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

Sr. No	Particulars of Remuneration	Name of the Directors			Total
		L R Bhansali	Shmbhubhai Ruparelia	Dharmendra Ruparelia	
1	Independent Directors				
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify				
	Total (1)				
2	Other Non Executive Directors				
	(a) Fee for attending Board Committee Meetings				NIL
	(b) Commission				
	(c) Others, please specify.				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act.				

PROFESSIONAL DIAMONDS LIMITED

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lac)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
1	Gross Salary	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	as % of profit	
	others, specify	
5	Others, please specify	
	Total	

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

INDEPENDENT AUDITOR'S REPORT**To the Members of PROFESSIONAL DIAMONDS LIMITED****1. Report on the Financial Statements**

We have audited the accompanying financial statements of **PROFESSIONAL DIAMONDS LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March 2015**, the Statement of Profit and Loss, and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

4. Basis for disclaimer of opinion

A. In respect of trade receivables, which form a significant amount of the Company's assets, amounting to Rs 472,54,644 the auditors have not received any confirmation of balances. The management has obtained confirmation of balances from the respective parties. The amounts have been outstanding for a considerable period of time taking into account the prevailing trade practice in respect of the Company's business. In view of the above we are unable to comment on the realisability of the debts, and any provision to be made for unrealisability in the carrying amounts of these balances and on the consequential impact on the financial statements.

B. The Company has made long term investments in Forever Diamonds Pvt. Ltd., SRV Polishing Technologies and J R Diamonds Pvt. Ltd. amounting to Rs.3,45,350. The said investments continue to be valued at cost. In absence of availability of audited financial statements of the

PROFESSIONAL DIAMONDS LIMITED

above mentioned companies we are unable to comment on the carrying costs of such investments and the provision for diminution in their value . We are unable to comment on the impact of provision for diminution in value of investments on the financial statements.

- C. *In view of what has been stated above regarding recoverability of trade receivables which form a significant amount of the Company's assets and the impact it could have on the Company's financials, we are unable to conclude on the ability of the Company to carry on as a going concern.*

Basis of Opinion

Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph specifically relating to realisability of Trade Receivables, we have not been able to obtain audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements

5. Report on Other Legal and Regulatory Requirements

- 1.) As required by The Companies (Auditors Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of subsection(11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said order.
- 2.) As required by section 143(3) of the Companies Act 2013, we report that:
 - (a) As described in the Basis for Disclaimer of Opinion paragraph, we were unable to obtain all the information and explanations to the best of our knowledge and belief 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 those books;
 - (c) the Balance Sheet ,Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) Except for the effects of the matter described in the Basis for Disclaimer Opinion paragraphs in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) the Company has no pending litigations as at March 31, 2015
 - (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.

**For RISHI SEKHRI AND CO.
CHARTERED ACCOUNTANTS
FRN 128216W**

**RISHI SEKHRI
PROPRIETOR
MEM. NO. 126658**

MUMBAI: 30TH MAY ,2015

ANNEXURES TO THE AUDITORS' REPORT

(Referred to in para 7 (1) of our auditors report of even date on the accounts for the year ended 31st March, 2015 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 are being physically verified by the management at each branch in accordance with a phased programme of verification. As explained to us the procedure being followed is reasonable considering the size and nature of its business. Material discrepancies, if any will be highlighted once the physical verification has been completed. The same system was there in the prior years and it was reasonable and no material discrepancies were noticed in the prior years.
2. The company did not have any inventories during the year under review.
3. As per the information and explanations given to us, the Company has not granted unsecured loan to companies, firms or other parties.
4. In our opinion and according to the explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regards to purchases 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 weaknesses in internal control.
5. The Company has not accepted 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 73 to 76 the Act and rules framed there under does not arise.
6. The maintenance of cost records has not been prescribed by the Central Government.
7. (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.
8. The company has no accumulated losses at the end of the financial year. Further, the company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. 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.
10. As informed to us, the company has not given any guarantees for any loans taken by others from banks or financial institutions.
11. The company has not availed of any term loans.
12. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For RISHI SEKHRI AND CO.
CHARTERED ACCOUNTANTS
FRN 128216W

RISHI SEKHRI
PROPRIETOR
MEM. NO. 126658

MUMBAI: 30TH MAY, 2015

PROFESSIONAL DIAMONDS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	Note No.	As at 31 March 2015 ₹	As at 31 March 2014 ₹
A EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2.01	20,000,000	20,000,000
b) Reserves & Surplus	2.02	28,205,928	29,696,327
		48,205,928	49,696,327
2) Non-Current Liabilities			
Deferred Tax Liabilities	2.03	16,000	(286,813)
3) Current Liabilities			
a) Trade Payables		567	3,932,419
b) Other Current Liabilities	2.04	6,674	131,968
c) Short - Term Provision	2.05	-	969,231
		7,241	5,033,618
Total		48,229,169	54,443,132
B ASSETS			
1) Non-Current Assets			
a) Fixed Assets			
Tangible Assets	2.06	156,652	157,556
b) Non Current Investment	2.07	345,850	345,850
c) Long Term Loans and Advances	2.08	53,748	53,748
d) Other Non - Current Assets	2.09	47,254,644	52,435,100
		47,810,894	52,992,254
2) Current Assets			
a) Cash & Cash Equivalents	2.10	407,932	971,971
b) Short Term Loans and Advances	2.11	10,343	478,907
		418,275	1,450,878
Total		48,229,169	54,443,132
Summary of Significant Accounting policies	1.00	-	-
Notes to the Financial Statements	2.01 to 2.21		

As per our report attached

For and on behalf of the Board of Directors

For Rishi Sekhri and Associates

Chartered Accountants

(FRN 128216W)

Shambhubhai B Ruparelia

Director

Rishi Sekhri

Proprietor

Membership No. 126656

Dharmendra S Ruparelia

Director

Mumbai , 30th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No.	As at 31 March 2015 ₹	As at 31 March 2014 ₹
I Gross Revenue from Operations	2.12	-	-
II Other Income	2.13	121,012	175,366
Total Revenue		121,012	175,366
I Expenses :			
Employee Benefits Expenses	2.14	854,745	1,496,466
Finance Costs	2.15	2,153	1,644
Depreciation		904	68,410
Other Expenses	2.16	450,796	624,789
Total Expenses		1,308,598	2,191,309
III Profit / (Loss) before Tax		(1,187,586)	(2,015,943)
Provision for Tax :			
a) Less : Excess / Short Provision for Income Tax (Net)			5,619
b) Less : Deferred Tax		(302,813)	143,352
Profit after Tax	-	(1,490,399)	(1,866,972)
Earnings per Share			
a) Basic	2.20	(0.75)	(0.93)
b) Diluted	2.20	(0.75)	(0.93)
Summary of Significant Accounting policies	1.00		
Notes to the Financial Statements	2.01 to 2.21		

As per our report attached

For and on behalf of the Board of Directors

For Rishi Sekhri and Associates

Shambhubhai B Ruparelia

Chartered Accountants
(FRN 128216W)

Director

Rishi Sekhri

Dharmendra S Ruparelia

Proprietor
Membership No. 126656

Director

Mumbai , 30th May, 2015

PROFESSIONAL DIAMONDS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Current Year ₹	Previous Year ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(1,187,586)	(2,015,943)
Adjustments for :		
Depreciation	904	68,410
Operating Profit before working capital changes	(1,186,682)	(1,947,533)
Adjustments for :		
Trade and Other Receivables	5649020	2,986,859
Trade Payable	(5026377)	(1,601,315)
	(564,039)	(561,989)
Taxes paid		(5,297)
Cash generated from operating activities	(564,039)	(567,286)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Investments	-	-
Sale of Investments	-	-
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)	(564,039)	(567,286)
Cash and Cash equivalent as at 1 st April, 2013 (Opening Balance)	971971	1,539,257
Cash and Cash equivalent as at 31 st March, 2014 (Closing Balance)	407932	971,971

As per our report attached

For and on behalf of the Board of Directors

For Rishi Sekhri and Associates

Chartered Accountants
(FRN 128216W)

Shambhubhai B Ruparelia

Director

Rishi Sekhri

Proprietor
Membership No. 126656

Dharmendra S Ruparelia

Director

Mumbai , 30th May, 2015

Summary of Significant Accounting Policies followed by the Company Basis of Preparation of Financial Statements :

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

On the basis of management's assumption, it is expected that the company will generate adequate cash flows through realisation from the debtors. Once the cash flow improves the company is hopeful of increased trading activities. Hence the accounts of the company are prepared on a going concern basis.

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 has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.
- 1.04 **Inventories :** The inventories are stated at lower of cost or net realisable value.
- 1.05 **Investments :** Long term Investments are stated at acquisition cost and provision is made for diminution, other than temporary, in value of the investments. Current investments are valued at lower of cost or market value/net asset value.
- 1.06 **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.
- 1.07 **Retirement Benefits :** Provision for Gratuity is made for the actual liability at the year end
- 1.08 **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.

1.09 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.

1.10 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 . 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.

PROFESSIONAL DIAMONDS LIMITED

2 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	As at 31 March 2015 (Rs)	As at 31 March 2014 (Rs)
LIABILITIES		
NOTES - 2.01		
Share Capital :		
<u>Authorised</u>		
40,00,000 Equity Shares of Rs. 10/- each	40,000,000	40,000,000
<u>Issued</u>		
20,00,000 Equity Shares of Rs. 10/- each	20,000,000	20,000,000
<u>Subscribed & Paid up :</u>		
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	2,000,000	2,000,000
Number of shares outstanding as at the beginning of the year	2,000,000	2,000,000
Shares issued during the year	-	-
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

Sr 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

General Reserve :

As per last Balance Sheet	20,179,708	20,179,708
<u>Surplus :</u>		
As per last Balance Sheet	9,516,619	11,383,591
Transferred from Statement of Profit & Loss Statement	(1,490,399)	(1,866,972)
	<u>8,026,220</u>	<u>9,516,619</u>
	<u>28,205,928</u>	<u>29,696,327</u>

Particulars	As at	
	31 March 2015 (Rs)	31 March 2014 (Rs)

NOTES - 2.03

Deferred Tax Assets :

Assets :

Disallowance under the Income Tax Act 1961 302,813 299,492

Liabilities :

Related to Depreciation (286,813) (12,679)

16,000 286,813

Current Liabilities

NOTES - 2.04

Other Current Liabilities :

Statutory Dues - 24,200

Other Payable 6,674 107,768

6,674 131,968

NOTES - 2.05

Short - Term Provision :

Provision for Taxation - -

Provision for Employees Benefit - **969,231**

- 969,231

NOTES - 2.06

FIXED ASSETS - TANGIBLE

Description	Gross Block				Depreciation				Net Block	
	As on 01.04.2014	Additions	Deductions	As on 31.03.2015	As on 01.04.2014	For the Year	Deductions	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014
	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
Office Premises	2,017,980	-	-	2,017,980	1,889,043	904	-	1,889,947	128,033	128,937
Furniture & Fixture	1,452,854	-	-	1,452,854	1,438,326	-	-	1,438,326	14,528	14,528
Electricals 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	5,079,249	904	-	5,080,153	156,652	157,556
Previous Year	5,236,805	-	-	5,236,805	5,010,839	68,410	-	5,010,839	225,966	294,376

Note: The company has considered depreciation as per Schedule II of the Companies Act, 2013. Thus assets which have exceeded their estimated useful life have not been charged depreciation and are reflected at their realizable residual/ scrap value.

Other assets have been depreciated over their useful life as per Schedule II provisions.

Assets

Notes - 2.07

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

PROFESSIONAL DIAMONDS LIMITED

Particulars	As at 31 March 2015 (Rs)	As at 31 March 2014 (Rs)
Notes - 2.08		
Long Term Loans and Advances :		
Unsecured, Considered Good		
Security Deposits :	53,748	53,748
	<u>53,748</u>	<u>53,748</u>
Notes - 2.09		
Other Non - Current Assets		
Long Term Trade Receivable :		
Due for a period Exceeding Six Months		
Unsecured, Considered Good	47,254,644	52,435,100
Note:		
The company has been assured of payments once the cash flow of debtor companies improve. During the year the company received about Rs. 55 lacs.		
Current Assets		
Notes - 2.10		
Cash & Cash Equivalents :		
Balances with Bank in Current Accounts	398,596	262,635
<u>Other Bank Balances :</u>		
Fixed Deposits with Bank	-	700,000
Cash on Hand	9,336	9,336
	<u>407,932</u>	<u>971,971</u>
Notes - 2.11		
Short Term Loans and Advances :		
Unsecured, Considered Goods		
Vat, Income Tax & FBT Refund Receivable	10,338	12,995
Others	5	465,912
	<u>10,343</u>	<u>478,907</u>
Notes - 2.12		
Gross Revenue from Operations :		
Sales :		
Rough Diaomonds	-	-
Notes - 2.13		
Other Income :		
Rent Received	90,000	120,000
Bank Interest received	30,912	55,366
Miscellaneous Income	100	-
	<u>121,012</u>	<u>175,366</u>

Particulars	As at 31 March 2015 (Rs)	As at 31 March 2014 (Rs)
Notes - 2.14		
Employee Benefits Expenses :		
Salaries	854,745	1,088,004
Gratuity	-	408,462
	<u>854,745</u>	<u>1,496,466</u>
Notes - 2.15		
Finance Costs :		
Bank Interest	710	1,523
Bank Charges	1,443	121
	<u>2,153</u>	<u>1,644</u>
Notes - 2.16		
Other Expenses :		
Power & Fuel Charges	310	-
Administrative & General Expenses :		
Advertisement and Sales Expenses	38,503	38,690
<u>Payments to statutory auditors</u>		
Audit Fees	6,000	6,000
Certification Charges	7,079	6,000
	<u>13,079</u>	<u>12,000</u>
Legal & Professional Charges	4,084	15,280
Rates and Taxes	-	25,221
Printing and Stationery	27,000	30,482
Postage & Telephone Charges	39,814	35,281
Travelling & Conveyance Expenses	103,317	102,500
Society Maintenance Charges	87,580	131,681
Licence Registration & other fees	121,176	18,354
Sundry Debit Balances Written Off	8,093	207,495
Miscellaneous Expenses	7,840	7,805
	<u>450,796</u>	<u>624,789</u>

2.17 As per the provisions of Accounting Standard 18 - " Related Party Transactions " issued by the Institute of Chartered Accountants of India, the details of Related Party Transactions based on disclosure certificate issued by the Directors, is as mentioned below:

List of Related Parties

Associates

Particulats

Forever Diamonds Private Limited

J R Diamonds Private Limited

Transactions for the year ended 31.03.2015

Outstanding as at 31.03.2015

73,13,762

Outstanding as at 31.03.2014

(73,13,762)

PROFESSIONAL DIAMONDS LIMITED

2.18 Earnings per Share :

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

	As at 31 March 2015 (Rs)	As at 31 March 2014 (Rs)
Net Profit as per Profit and Loss Account available to Shareholders	(1,490,399)	(1,866,972)
Weighted average number of Equity Shares fully paid of Rs 10 each	2,000,000	(2,000,000)
Earnings per Share (Basic and Diluted)	(0.75)	(0.93)

2.19 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)

2.20 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)

2.21 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 of Directors

For Rishi Sekhri and Associates

Chartered Accountants
(FRN 128216W)

**Shambhubhai B Ruparelia
Director**

Rishi Sekhri

Proprietor
Membership No. 126656

**Dharmendra S Ruparelia
Director**

Mumbai , 30th May, 2015

PROFESSIONAL DIAMONDS LIMITED

Registered 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 29th Annual General Meeting of the Company held at 85 C, Mittal Court, Nariman Point, Mumbai 400 021 on Tuesday 29th September, 2015 at 10.30 A.M.

Member's/Proxy's Signature

Note: Members/Proxy holders are requested to bring their copy of the EGM Notice with them at the Meeting.

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PROFESSIONAL DIAMONDS LIMITED

Registered 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 29th Annual General Meeting of the Company to be held on Tuesday, 29th September, 2015 at 10.30 A.M. or at any adjournment thereof.

Affix
One Rupee
Revenue
Stamp

Signed this _____ day of _____ 2015.

Note: The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

SPEED POST / REGISTERED POST / COURIER



If Undeliverd, Please return to

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

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