

J.K. SHAH & CO.
CHARTERED ACCOUNTANTS

3RD FLOOR, FLAT NO 14,
AL-KARIM MANZIL,
15, PALTON ROAD,
MUMBAI 400 001.
TEL. : 2261 5581.
2262 0183.
FAX : 2261 9937.
Email : info@jkshah.co.in

TO,
THE MEMBERS OF
N. KUMAR DIAMOND EXPORTS LIMITED

1. We have audited the attached Balance Sheet of N. Kumar Diamond Exports Limited as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of the information and explanation given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comment in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The balance sheets, 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 Companies Act, 1956 to the extent applicable;
 - e. On the basis of written representation received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



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- f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts, read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012.
 - ii. in the case of the Statement of Profit and Loss account, of the Loss for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For J. K. Shah & Co.
FRN: 109606W
Chartered Accountants

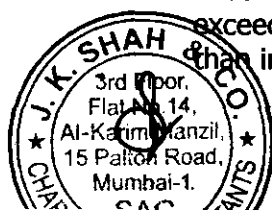



Sanjay A. Gandhi
Partner
Membership No : 48570

Place: Mumbai
Date: 14/05/2012

ANNEXURE TO THE AUDITOR'S REPORT
(as referred to in paragraph 3 of our report of even date)

- 1)
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) These fixed assets have been physically verified by the management at regular interval considering the size of the company and nature of assets. No material discrepancies have been noticed on such verification.
 - c) No disposal of a substantial part of fixed assets of the company has taken place during the year.
- 2) As explained to us, except for the inventories of rough diamonds, which were seized by the income tax department, the company did not have any inventory during the year.
- 3)
 - a) As per the records of the company, it has not granted any unsecured loans to parties covered in the register maintained u/s 301 of the Companies Act, 1956.
 - b) Except for the interest free unsecured loan from its directors, the company has not taken any loan secured / unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹162,170,000/- and year-end balance was ₹100,163,000/-.
 - c) The other terms and conditions of the said loan are not prima-facie prejudicial to the interest of the company.
 - d) The principal amount is repayable on demand.
- 4) The company has adequate internal control procedure commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and for sale of goods. However, there are no transactions of purchase of inventories and fixed assets and for sale of goods during the year. We have not come across any major weakness in internal control.
- 5)
 - a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, there have been no transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party during the year other than interest free unsecured loans from its directors.



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- 6) During the year the company has not accepted any deposits to which provisions of section 58A and 58AA of the companies Act, 1956 and the rules framed there under would apply.
- 7) As explained to us, the company does not have a formal internal audit system, but its control procedure ensure reasonable internal checking of its financial and other records.
- 8) The central government has not prescribed maintenance of cost records under section 209(1)(d) of the companies Act, 1956 for any of the products of the company.
- 9)
 - a) According to the records of the company, the company is regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Custom Duty, and other statutory dues with the appropriate authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2012 for a period of more than six months from the day they become payable.
 - b) According to the records of the company and on the basis of information and explanation given to us, there are no dues of income tax, sales tax, wealth tax and other statutory dues that have not been deposited on account of dispute.
- 10) The company has no accumulated losses and has incurred cash losses in the current financial year. In the immediately preceding financial year, the company had not incurred cash losses.
- 11) The company has not taken any loans from banks, financial institutions nor has issued any debentures.
- 12) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities; accordingly clause (xii) of the Order is not applicable to the company.
- 13) The provisions of any Special Statute applicable to Chit Funds, Nidhis or Mutual Benefit Funds / Societies are not applicable to the company.
- 14) The company is not dealing in or trading in shares, securities, debentures, or other investments and hence, requirement of clause (xiv) of the Order is not applicable to the company.
- 15) According to the information and explanation given to us, the company has not given any guarantee for loans taken by the others from the Banks and Financial Institutions.
- 16) The company has not taken any Term Loans during the year.

According to the information and explanations given to us and overall examination of the 3rd Balance Sheet of the company and on the basis of information and explanations provided, the company has not applied short term borrowings for long term use.




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- 18) During the year, Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19) Since the company does not have any debentures, the question of creation of securities for debentures does not arise.
- 20) The company has not raised money by Public Issue.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.



For J. K. Shah & Co.
FRN : 109606W
Chartered Accountants


Sanjay A. Gandhi
Partner
Membership No : 48570

Place: Mumbai
Date: 14/05/2012

N. KUMAR DIAMOND EXPORTS LIMITED
Balance Sheet as at March 31, 2012

	Notes	31 March 2012 ₹	31 March 2011 ₹
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	65,000,000	65,000,000
Reserves and Surplus	4	143,876,296	144,547,874
		208,876,296	209,547,874
Non-current liabilities			
Deferred tax liabilities (net)	5	-	98,758
			98,758
Current liabilities			
Short-term borrowings	6	100,163,000	100,363,000
Other Current liabilities	7	121,883	83,375
		100,284,883	100,446,375
TOTAL		309,161,179	310,093,007
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	5,362,400	5,931,710
Non-current investments	9	300,093,804	300,193,804
Deferred tax assets (net)	5	66,126	-
Long-term loans and advances	10	33,869	33,869
		305,556,199	306,159,383
Current assets			
Inventories	12	318,482	318,482
Cash and bank balances	13	432,196	906,679
Short-term loans and advances	10	2,843,756	2,707,362
Other current assets	11	10,546	1,100
		3,604,980	3,933,623
TOTAL		309,161,179	310,093,007

Summary of significant accounting policies

2.1

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

As per our report of even date
For J.K.Shah & Co.
Firm Registration No. 109606W
Chartered Accountants

Sanjay A. Gandhi
Sanjay A. Gandhi
Partner
Membership No : 48570

Place: Mumbai
Date : 14/05/2012



For and on behalf of the board of directors

Sanjay A. Gandhi
Director

SANJAY A. GANDHI
Director

Place: Mumbai
Date : 14/05/2012

N. KUMAR DIAMOND EXPORTS LIMITED

Statement of profit and loss for the year ended March 31, 2012

	Notes	31 March 2012 ₹	31 March 2011 ₹
Income			
Revenue from operations (gross)	14	-	141,166,932
Less : excise duty		-	-
Revenue from operations (net)		-	141,166,932
Other income	15	73,993	1,375,484
Total revenue (I)		73,993	142,542,416
Expenses			
Purchase of traded goods	16	-	140,994,430
Other expenses	17	239,134	326,925
Total Expenses (II)		239,134	141,321,355
Earnings before tax, depreciation and amortization (EBITDA) (I)-(II)		(165,141)	1,221,061
Depreciation and amortization expense	18	569,310	659,470
Profit/(loss) before tax		(734,451)	561,591
Tax expenses			
Current tax		-	166,000
Deferred tax		(164,884)	(19,640)
Earlier years tax		102,010	-
Total tax expense		(62,874)	146,360
Profit/(loss) for the year		(671,577)	415,231
Earning per equity share			
Basic	19	₹ (0.10)	₹ 0.06
Diluted		₹ (0.10)	₹ 0.06

Summary of Significant accounting policies

2.1

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

As per our report of even date

For J.K.Shah & Co.

Firm Registration No. 109606W

Chartered Accountants

Santiv A. Gandhi

Partner

Membership No : 48577

Place: Mumbai

Date : 14/05/2012



For and on behalf of the board of directors

Handwritten signature

Director

Handwritten signature

Director

Place: Mumbai

Date : 14/05/2012

N. KUMAR DIAMOND EXPORTS LIMITED

Cashflow Statement for the year ended 31st March, 2012

	31st March 2012	31st March 2011
Cashflow from operating activities		
Net Profit / (Loss) before tax	(734,451)	561,591
ADJUSTMENTS:		
Interest income	(70,352)	(19,757)
Dividend income	(760)	(805)
Depreciation	569,310	659,470
	498,198	638,908
Operating Profit before working capital changes	(236,253)	1,200,499
CHANGES IN WORKING CAPITAL		
Current Liabilities	38,508	58,386
Current Assets	(266,779)	115,911,268
Cash used in operation	(464,524)	117,170,153
Taxes Paid (Net)	28,375	207,103
Net cash used in operating activities (A)	(436,149)	117,377,256
Cash flow from investing activities		
Interest Received	60,906	18,657
Dividend Received	760	805
Sale/(Purchase) of Investments	100,000	(200,100,000)
Net cash used in investing activities (B)	161,666	(200,080,538)
Cash flow from financing activities		
Proceed / (Repayment) of short term borrowings (Net)	(200,000)	83,570,000
	(200,000)	83,570,000
Net cash used in financing activities (C)	(200,000)	83,570,000
NET CASH / CASH EQUIVALENT (A+B+C)	(474,483)	866,718
Cash & cash Equivalent at beginning	906,679	39,961
Cash & cash Equivalent at the end	432,196	906,679

Notes

1. The cash and cash equivalents in the cash flow statement comprise of the following Balance Sheet amounts :

	<u>31st March 2012</u>	<u>31st March 2011</u>
(a) Cash on hand	15,698	7,272
(b) Cheques on hand	45,903	-
(c) Balance with Banks	370,595	899,407
	<u>432,196</u>	<u>906,679</u>

2. The above Cashflow is made as per the Indirect Method of "Cash Flow Statement" as per AS-3.

3. Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with current years figures.

As per our report of even date

For J.K.Shah & Co.

Firm Registration No. 109606W

Chartered Accountants

Sanjay A. Gandhi

Partner

Membership No : 48570



For and on behalf of the board of directors

[Signature]

Director

[Signature]

Director

Place: Mumbai
Date : 14/05/2012

Place: Mumbai
Date : 14/05/2012

N KUMAR DIAMOND EXPORTS LIMITED

NOTES AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

1. Corporate information

N Kumar Diamond Export Limited is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and having engaged in the business of manufacturing and export of cut & polished diamonds.

2. Basis of preparation

The financial statements are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 1956.

2.1 Significant Accounting Policies:

a) Presentation and Disclosure of Financial Statements

During the year 31st March, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of Financial Statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Use of Estimates:

The preparation of the financial statements in accordance with the generally accepted accounting principles ('GAAP') in India requires management makes estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements and reported amounts of revenues and expenses during reporting period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Revenue recognition:

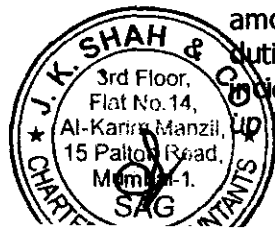
All revenue and expenses are accounted on accrual basis except to the extent stated otherwise.

d) Inventories:

Rough diamonds : at cost

e) Tangible fixed assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation / amortization and impairment loss, if any. The cost of fixed assets includes freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to the acquisition / construction and installation of the respective fixed assets up to the time the assets are ready for their intended use.



N KUMAR DIAMOND EXPORTS LIMITED

NOTES AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

f) Depreciation

Depreciation on fixed assets is provided pro-rata to the period of use using the written down value method at the rates prescribed under Schedule XIV to the Act, which in management's opinion, reflects the estimated useful economic lives of the assets. Individual assets costing upto Rs 5,000 are depreciated fully in the year of purchase.

<u>Particulars</u>	<u>Rate (WDV)</u>
Office Premises	5.00%
Factory Premises	10.00%
Plant and Equipment	13.91%
Furniture and Fixtures	18.10%
Vehicles	25.89%
Computers	40.00%

g) Foreign Currency Transactions:

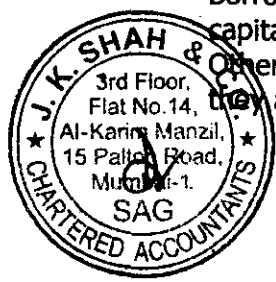
- Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction.
- Gains or Losses upon settlement of transaction during the year is recognized in the profit and loss account.
- Assets and liabilities denominated in foreign currency are restated at the year end rates. Gains or losses arising as a result of the above are recognized in the profit and loss account.

h) Investments:

Investments which are Long Term in nature are stated at cost of acquisition with provision where necessary for diminution, other than temporary, in the value of investments.

i) Borrowing Cost:

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of the assets, up to the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.



N KUMAR DIAMOND EXPORTS LIMITED

NOTES AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

j) Taxation:

Tax expense comprises current tax and deferred tax.

Current tax

Provision for current income tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred tax

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognised for timing differences between the profits or losses offered for income taxes and profits / losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

k) Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimate can be made.

Contingent liabilities are disclosed by way of note to the Financial Statements after careful evaluation by the proprietor of facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.



3. Share capital

	31 March 2012 ₹	31 March 2011 ₹
Authorized 6,500,000 (31 March 2011 : 6,500,000) equity shares of ₹ 10/- each	65,000,000	65,000,000
Issued, subscribed and fully paid-up 6,500,000 (31 March 2011 : 6,500,000) equity shares of ₹ 10/- each	65,000,000	65,000,000
	65,000,000	65,000,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	31 March 2012		31 March 2011	
	Number	₹	Number	₹
At the beginning of the year	6,500,000	65,000,000	6,500,000	65,000,000
Issued during the year :-	-	-	-	-
At the end of the year	6,500,000	65,000,000	6,500,000	65,000,000

b. Details of shareholders holding more than 5% shares in the company

	31 March 2012		31 March 2011	
	No.	% holding	No.	% holding
Renaissance Jewellery Limited	6,500,000	100%	6,500,000	100%

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	31 March 2012	31 March 2011
Renaissance Jewellery Limited (Holding Company)	6,500,000	6,500,000

d. Rights, preference and restriction to class of shares

The company has one class of issued shares having nominal value ₹ 10/-. Each holder of equity share is entitled to one vote per share.

4. Reserves and surplus

	31 March 2012 ₹	31 March 2011 ₹
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	144,547,874	144,132,643
Profit/(Loss) for the year	(671,577)	415,231
Net surplus in the statement of profit and loss	143,876,296	144,547,874
Total reserves and surplus	143,876,296	144,547,874

5. Deferred tax liabilities (Net)

	31 March 2012 ₹	31 March 2011 ₹
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	-	98,758
Gross deferred tax liability	-	98,758
Deferred tax asset (net)		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	66,126	-
Gross deferred tax (asset)/liabilities	66,126	-
	(66,126)	98,758

6. Short-term borrowings

	31 March 2012 ₹	31 March 2011 ₹
Interest free loan from related parties - Directors repayable on demand (Unsecured) (refer note 20)	100,163,000	100,363,000
	100,163,000	100,363,000



N. KUMAR DIAMOND EXPORTS LIMITED
Balance Sheet as at March 31st 2012

8. Tangible assets

	Factory Building	Non Factory Building	Plant & Equipment	Computers	Furniture and fixtures	Vehicles	Shares of Society	Total
Cost or valuation								
At 1 April 2010	50,427	7,434,263	6,654,905	941,094	2,678,829	3,047,448	250	20,807,216
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
- Borrowing costs	-	-	-	-	-	-	-	-
At 31 March 2011	50,427	7,434,263	6,654,905	941,094	2,678,829	3,047,448	250	20,807,216
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
- Exchange differences	-	-	-	-	-	-	-	-
- Borrowing costs	-	-	-	-	-	-	-	-
At 31 March 2012	50,427	7,434,263	6,654,905	941,094	2,678,829	3,047,448	250	20,807,216
Depreciation								
At 1 April 2010	50,427	3,934,338	4,298,063	898,823	2,173,016	2,861,368	-	14,216,035
Acc Depreciation pursuant to Amalgamation Scheme	-	-	-	-	-	-	-	-
Charge for the year	-	174,996	327,837	16,909	91,552	48,176	-	659,470
Disposals	-	-	-	-	-	-	-	-
At 31 March 2011	50,427	4,109,334	4,625,900	915,732	2,264,568	2,909,544	-	14,875,505
Charge for the year	-	166,246	282,235	10,145	74,981	35,703	-	569,310
Disposals	-	-	-	-	-	-	-	-
At 31 March 2012	50,427	4,275,580	4,908,135	925,877	2,339,549	2,945,247	-	15,444,815
Net Block								
At 31 March 2011	-	3,324,929	2,029,005	25,362	414,261	137,904	250	5,931,710
At 31 March 2012	-	3,158,683	1,746,770	15,217	339,280	102,201	250	5,362,400



7. Other Current liabilities

	31 March 2012 ₹	31 March 2011 ₹
Other liabilities		
Other payables		
TDS Payable	4,982	11,221
ESIC, PF Payable	28	21
Professional Tax Payable	2,500	2,500
MLWF Payable	48	144
Other Payables	114,325	69,489
	<u>121,883</u>	<u>83,375</u>
	<u>121,883</u>	<u>83,375</u>

9. Non-current investments

Long Terms (valued at cost unless stated otherwise)

Trade investments

Equity Instruments (quoted)

Investment in Holding Company

	31 March 2012 ₹	31 March 2011 ₹
Equity Shares of ₹ 10 each of Renaissance Jewellery Limited (Nos. of Equity Shares 80 PY : 80)	2,000	2,000

Equity Instruments (unquoted)

Investment in Subsidiaries

	31 March 2012 ₹	31 March 2011 ₹
Equity Shares of ₹ 10 each of Housefull International Limited (Nos. of Equity Shares 30,000,000 P.Y. 30,000,000)	300,000,000	300,000,000
Equity Shares of ₹ 10 each of Niche Quality Foods Pvt. Ltd. (formerly known as Renaissance Realtors Pvt. Ltd.) (Nos. of Equity Shares Nil. P.Y. 10,000) (Refer Note - 21 below)	-	100,000

Non-trade Investments

Equity Instruments (unquoted)

Investment in others

	31 March 2012 ₹	31 March 2011 ₹
Equity Share of ₹ 10 each of Fancy Jewellery Private Limited (Nos. of Equity Shares 1 P.Y. 1)	10	10
Equity Share of ₹ 10 each of Veniqold.com Limited (Nos. of Equity Shares 1 P.Y. 1)	91,694	91,694
Equity Share of ₹ 10 each of Saraswat C-operative Bank Limited (Nos. of Equity Shares 10 P.Y. 10)	100	100

300,093,804 300,193,804

Aggregate amount of quoted investments	2,000	2,000
Market value of quoted investments	6,976	6,080
Aggregate amount of unquoted investments	300,091,804	300,191,804

10. Loans and advances

(Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	31 March 2012 ₹	31 March 2011 ₹	31 March 2012 ₹	31 March 2011 ₹
Security deposit				
Unsecured, considered good	33,869	33,869	381,110	-
(A)	33,869	33,869	381,110	-
Loan and advances to related parties				
Unsecured, considered good	-	-	-	6,600
(B)	-	-	-	6,600
Other loans and advances				
Prepaid expenses	-	-	17,068	17,452
Advance income-tax (net of provisions)	-	-	1,235,244	1,365,629
Balance with statutory/government authorities	-	-	1,210,334	1,317,681
(C)	-	-	2,462,646	2,700,762
Total (A+B+C)	<u>33,869</u>	<u>33,869</u>	<u>2,843,756</u>	<u>2,707,362</u>

	Non-current		Current	
	31 March 2012 ₹	31 March 2011 ₹	31 March 2012 ₹	31 March 2011 ₹

Loans and advances to related parties include

Dues from Subsidiary company

Renaissance Realtors Pvt Ltd

6,600



11. Other assets

	Non-current		Current	
	31 March 2012 ₹	31 March 2011 ₹	31 March 2012 ₹	31 March 2011 ₹
Others				
Interest accrued on fixed deposits	-	-	10,546	1,100
(A)	-	-	10,546	1,100
Total (A)	-	-	10,546	1,100

12. Inventories (valued at lower of cost and net realizable value)

	31 March 2012 ₹	31 March 2011 ₹
Rough Daimonds*	318,482	318,482
	318,482	318,482

*(Represents inventory seized by the tax department)

13. Cash and bank balances

	Non-current		Current	
	31 March 2012 ₹	31 March 2011 ₹	31 March 2012 ₹	31 March 2011 ₹
Cash and cash equivalents				
Balance with banks:				
On current accounts	-	-	51,225	589,407
Cheques on hand	-	-	45,903	-
Cash on hand	-	-	15,698	7,272
(A)	-	-	112,826	596,679
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	319,370	310,000
(B)	-	-	319,370	310,000
Total (A+B)	-	-	432,196	906,679

14. Revenue from operations

	31 March 2012 ₹	31 March 2011 ₹
Revenue from operations		
Sale of products		
Traded Goods	-	141,166,932
Revenue from operations (gross)	-	141,166,932

Details of product sold

	31 March 2012 ₹	31 March 2011 ₹
Traded goods sold		
Cut & Polished diamonds	-	141,166,932
	-	141,166,932

15. Other income

	31 March 2012 ₹	31 March 2011 ₹
Interest income on		
Bank deposits	20,907	1,100
Others	49,445	18,657
Dividend income on		
Long - term Investment	760	805
Exchange Gain (net)	-	1,354,065
Miscellaneous Income	2,881	857
	73,993	1,375,484

16. Purchase of traded goods

	31 March 2012 ₹	31 March 2011 ₹
Cut & Polished diamonds	-	140,994,430
	-	140,994,430



N. KUMAR DIAMOND EXPORTS LIMITED
Notes to financial statements for the year ended March 31, 2012

17. Other expenses

	31 March 2012 ₹	31 March 2011 ₹
Appeal Fees	1,000	-
Bank Charges	801	-
ESIC Dues	96,525	-
Rates & Taxes	5,501	2,500
Insurance	16,456	1,158
Legal and professional fees	65,406	128,164
Printing & Stationery	683	-
Membership and subscription	24,818	1,103
Office expenses	2,750	-
Payment to auditor (Refer details below)	24,818	77,210
Miscellaneous expenses	377	116,790
	239,134	326,925

Payment to auditor

	31 March 2012 ₹	31 March 2011 ₹
As auditor:		
Audit fee	16,545	33,090
Tax audit fee	-	16,545
Limited review	-	-
In other capacity:		
Taxation and Certification fee	8,273	27,575
Reimbursement of expenses	-	-
	24,818	77,210

18. Depreciation and amortization expense

	31 March 2012 ₹	31 March 2011 ₹
Depreciation of tangible assets	569,310	659,470
	569,310	659,470

19. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2012 ₹	31 March 2011 ₹
Profit/(Loss) after taxation	(671,577)	415,231
Net profit / (Loss) for calculation of basic and diluted EPS	(671,577)	415,231
Weighted average number of equity shares in calculating basic EPS (In Nos)	6,500,000	6,500,000
Face value of share (in ₹)	10	10
Basic Earnings per share	(0.10)	0.06
Diluted Earnings per share	(0.10)	0.06

20. Related party Disclosures

Related party Disclosures as required by Accounting Standard 18 is as follows:

Names of related parties and related party relationship

Holding Company	: Renaissance Jewellery Ltd.
Subsidiary Company	: Housefull International Ltd. : Niche Quality Foods Private Limited (upto 23 December, 2011) (formerly known as Renaissance Realtors Private Limited) (Refer Note: 21)
Indirect Subsidiary Company	: Housefull Supply Chain Management Ltd.
Associates	: Anika Jewellery Pvt Ltd : Fancy Jewellery Pvt Ltd : Verigold Jewellery (UK) Limited : Renaissance Jewelry N.Y Inc. : M/s Sumit Diamonds (Partnership firm) : Caro Fine Jewellery Pvt. Ltd. : Niche Quality Foods Private Limited (from 24 December, 2011) (formerly known as Renaissance Realtors Private Limited) (Refer Note: 21)

Key management personnel

: Mr. Niranjan A. Shah
: Mr. Amit C. Shah
: Mr. Bhupen C. Shah
: Mr. Sumit N. Shah
: Mr. Hitesh M. Shah



Related Party Transactions

The Following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transaction	Subsidiary Company	Associated Companies / Concerns	Key Management Personnel & relatives
	₹	₹	₹
Unsecured Loans (Net)			
31 March 2012	Nil	Nil	(200,000)
31 March 2011	Nil	Nil	83,570,000
Loans Recd back (Net)			
31 March 2012	Nil	Nil	Nil
31 March 2011	116,130,800	Nil	Nil
Investment in Equity Shares			
31 March 2012	(100,000)	Nil	Nil
31 March 2011	200,100,000	Nil	Nil
Loan Given			
31 March 2012	Nil	Nil	Nil
31 March 2011	6,600	Nil	Nil
Amount Payable as on			
31 March 2012	Nil	Nil	100,163,000
31 March 2011	Nil	Nil	100,363,000
Amount Receivable as on			
31 March 2012	Nil	Nil	Nil
31 March 2011	6,600	Nil	Nil

21. During the Previous year, the Company has disposed off the investments in one of its wholly owned subsidiary Company Niche Quality Foods P. Ltd (formerly known as Renaissance Realtors Private Limited) w.e.f. 23rd December, 2011. Accordingly Niche Quality Foods P. Ltd ceases to be a wholly owned subsidiary of the Company w.e.f. 23rd December, 2011.

22. Contingent Liabilities

Claims against the Company not acknowledged as debts:

- i) Income Tax demand disputed in appeal :
 - Disputed by the Company
 - Disputed by the Department

	31 March 2012 ₹	31 March 2011 ₹
	832,838	618,158
	14,163,688	14,163,688
	14,996,526	14,781,846

(The contingent liabilities, if materialised, shall entirely be borne by the company, as there is no likely reimbursement from any other party.)

23. Expenditure in foreign currency (accrual basis)

Others

	31 March 2012 ₹	31 March 2011 ₹
	-	8,089
	-	8,089

24. Earnings in foreign exchange (accrual basis)

Exports at F.O.B Value

	31 March 2012 ₹	31 March 2011 ₹
	-	141,125,584
	-	141,125,584

25. Previous year figures

Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date
 For J.K.Shah & Co.
 Firm Registration No. 109606W
 Chartered Accountants

Sanjiv Ar Gandhi
 Sanjiv Ar Gandhi
 Partner
 Membership No : 48570

Place: Mumbai
 Date : 14/05/2012



For and on behalf of the board of directors

[Signature]
 Director

[Signature]
 Director

Place: Mumbai
 Date : 14/05/2012